

# NATION'S BUSINESS

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JANUARY, 1929

American  
Individualism

By Herbert Hoover

*The*  
Amazing Years  
Ahead

By Maj. Gen. Squier



FLETCHER

MORE THAN A QUARTER MILLION CIRCULATION



# Just One Thing

"Do you remember, you said you would give me anything I wanted for a New Year's present? Well, what I want is something for you as well as for me. . . . Is it a promise?"



© 1928 W. L. L. CO.

**T**HERE is one thing that every wife who loves her husband wants above anything else in the world—that he may have good health and a long life.

How many thousands of wives there are who are haunted by a secret fear that their husbands are not entirely well—who steal glances, when the other is off guard, in an effort to discover the cause of that constant dragging weariness, those too frequent headaches, those mysterious fleeting pains. Almost every woman knows that sharp thrust of anxiety to her heart, that catch in her throat when she thinks something is wrong with the man she loves. What is it? What can she do?

No longer must a doctor judge the physical condition of a man by his unaided senses alone. Now, by means of marvelous instruments, he can actually look inside the body and watch the various organs at work! He can see the heart beat, the lungs contract and expand, he can watch the activities of the digestive tract. He can take x-ray photographs showing nearly every part of the body.

So new are the discoveries of medical science in relation to prolonging life that the majority of intelligent men and women have not heard about them. So amazing are some of these discoveries that they are difficult to believe. That seems to be the only sensible explanation of the estimate that but one person in 500 has an annual health examination.

To determine the value of health examinations, a group of 6,000 policyholders of the Metropolitan Life Insurance Company were given physical examinations. These per-

The doctor today who has kept step with the great discoveries in medicine can sometimes learn important things about the condition of the person he is examining, merely by testing the blood or taking the blood pressure. He can often trace the cause of pain in some remote part of the body to infection in a sinus or tonsil. Frequently ailments of years' standing have been traced to unsuspected infection at the roots of teeth.

Doctors today need not guess. There are means for them to find out. They can detect trouble and in many cases check it before it has had time to damage the body greatly. Often their scientific examinations show the beginning of serious ailments of which the person examined had not the slightest suspicion. It is folly of the most inexcusable sort to refuse to take advantage of the marvelous aids science has given us to discover and check disease and to prolong life.

Make sure that your dear one has a thorough health examination this month. And why not have one yourself? No better New Year present can be made.

sons were advised to the extent they and their physicians deemed necessary on the proper way to conserve their health. In nine years the saving in mortality in this group was found to be 18 per cent.

The Metropolitan has recently prepared a booklet containing most important rules for gaining and keeping health. It gives much valuable information that tends to make life both long and happy. Send for booklet 19-U. It will be mailed without charge.

HALEY FISKE, President.



**METROPOLITAN LIFE INSURANCE COMPANY—NEW YORK**  
Biggest in the World, More Assets, More Policyholders, More Insurance in force, More new Insurance each year



# FARGO

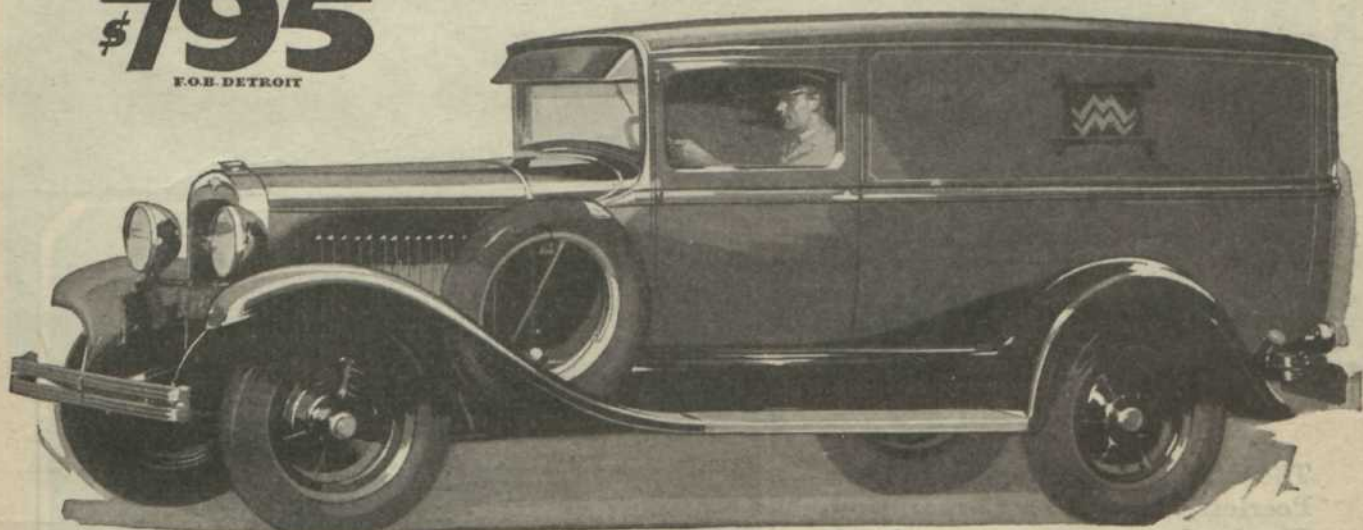


## EVERY CHRYSLER

# SUPERIORITY *now built into* Smart, Sturdy Trucks

FARGO PACKET PANEL  
(Complete with Body)

**\$795**  
F.O.B. DETROIT



CHRYSLER is already giving to business—in the new Fargo ½-ton Packet and the Fargo ¾-ton Clipper—the qualities which business has long wanted in its working vehicles. Later on, Fargo trucks in the 1-ton,

1½-ton and 2-ton capacities will be announced.

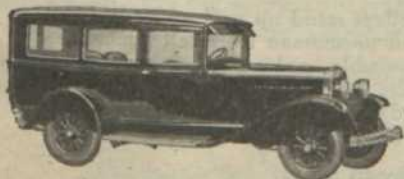
Everything that Chrysler means in low operating and maintenance costs, in the minimum of layups, in dependability, is built into the new Fargo.

Along with these qualities, in the first two Fargos, are the style and smartness, and the fast transport, which make friends and keep friends for a business house.

There is no reason why a delivery truck should not be spic and span and fast—and yet be operated on a basis of economy. But it remained for Fargo to present all these attributes in such a vehicle.

To sum it up, business can now have in the new Fargos, all the superiorities which Chrysler has made its own in the passenger car field.

Already the country is dotted with Fargo dealers. Any one of them will gladly demonstrate, in your own work, Fargo's ability to perform that work with greater efficiency and at lower cost per day and per hauling mile.



FARGO CLIPPER SEDAN—ideal for salesmen, for merchandise display, for station wagon or bus service. Seating capacity can be provided for eight, with seats instantly removable to permit use of compartment for standard load.

Fargo ½-Ton Packet Prices—Panel \$795; Sedan \$895; Chassis \$545. Fargo ¾-Ton Clipper Prices—Panel \$975; Sedan \$1075; Chassis \$725. (Prices of the Fargo 1-, 1½- and 2-ton trucks will be announced later.) All prices f.o.b. Detroit. Fargo dealers are in a position to extend the convenience of time payments.

FARGO MOTOR CORPORATION, DETROIT, MICHIGAN  
(Division of Chrysler Corporation)

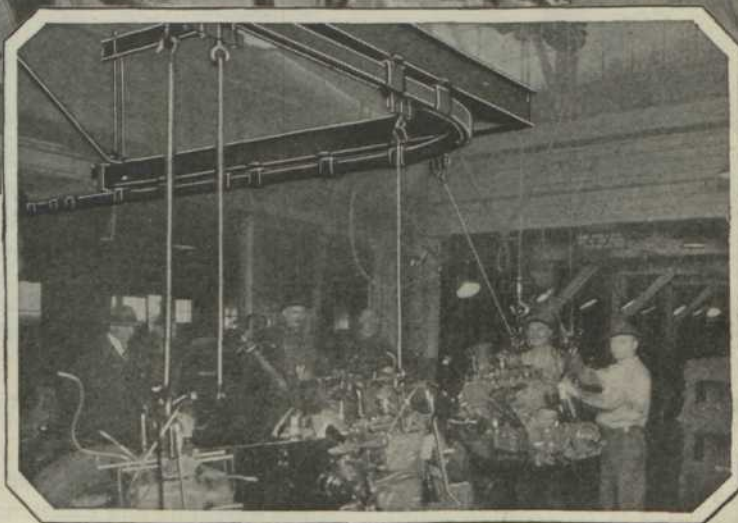




The Maintenance Engineer of the Peerless Motor Car Corporation, Cleveland, says: "This company has the reputation of accomplishing more per unit of floor area in its main assembly department than any other automobile factory in the country. Our complete assembly from the rough chassis to the finished car is accomplished in 358 running feet of assembly lines.

"Motors for Peerless Automobiles are stored 4 deep in bins. Two and a half years ago Richards-Wilcox engineers helped us work out a system of handling these motors from storage bins to motor assembly and on to chassis assembly. The motors are suspended from Richards-Wilcox Ball-Bearing Hangers, running in grooved Over-Way track; and by means of switches in the track, we can draw motors from any storage bin.

"Compared with our previous method of handling motors, our R-W Over-Way System is saving us the labor of 4 to 5 men, or \$5,000 to \$6,000 a year in labor. This



saving pays for the system between 3 to 4 times a year. Storing the motors 4 high also saves several hundred square feet of floor space.

"The R-W track and trolleys stand up well under heavy service. Although it is not uncommon to have 30 motors on the track awaiting assembly—a load of 12 tons—no damage has resulted to the Over-Way System.

"Plant expansion already under way includes further extensions of the Over-Way System."

*R-W Engineers can demonstrate labor savings with Over-Way in most places when material has to be moved. Write or phone the nearest office.*

# Richards-Wilcox Mfg. Co.

**"A Hanger for any Door that Slides."**

New York • • • AURORA, ILLINOIS, U.S.A. • • • Chicago  
 Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines  
 Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit  
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"Next January has  
got to tell a mighty  
different story!"

Reprint of December 1927  
advertisement

## "It's a different story this year, Chief"

**A** YEAR AGO, you said you were disgusted with the waste and lack of coordination. You said our inventory was \$60,000 too high; that we had overproduction on one item and shortage on another; that sales were being lost right and left; that the mill was constantly in a jam; and you laid down the law that things would have to be different this January.

"Well, they are—and we've done it by putting in Acme Visible Records throughout the office and plant. It's apparent now what we lost because of not doing this thing years ago.

"No, don't give me the credit. The Acme representative showed me how to do it with visible record equipment.

"Certainly we kept records before, but what good are records when all the facts are buried and too often never found. Now with our Acme Visible Records I don't have to wait a month or a year to know what's happening today. When things are starting to go wrong I know it in time to correct them."

The how and why of Acme Visible Records, with photographs of them in use in well known companies, are shown in our booklet, "Profitable Business Control." A copy will be mailed to you without cost or obligation. Tear out the coupon now and mail it in. You'll find this booklet interesting and an eye-opener.



Acme is the  
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Business Control."

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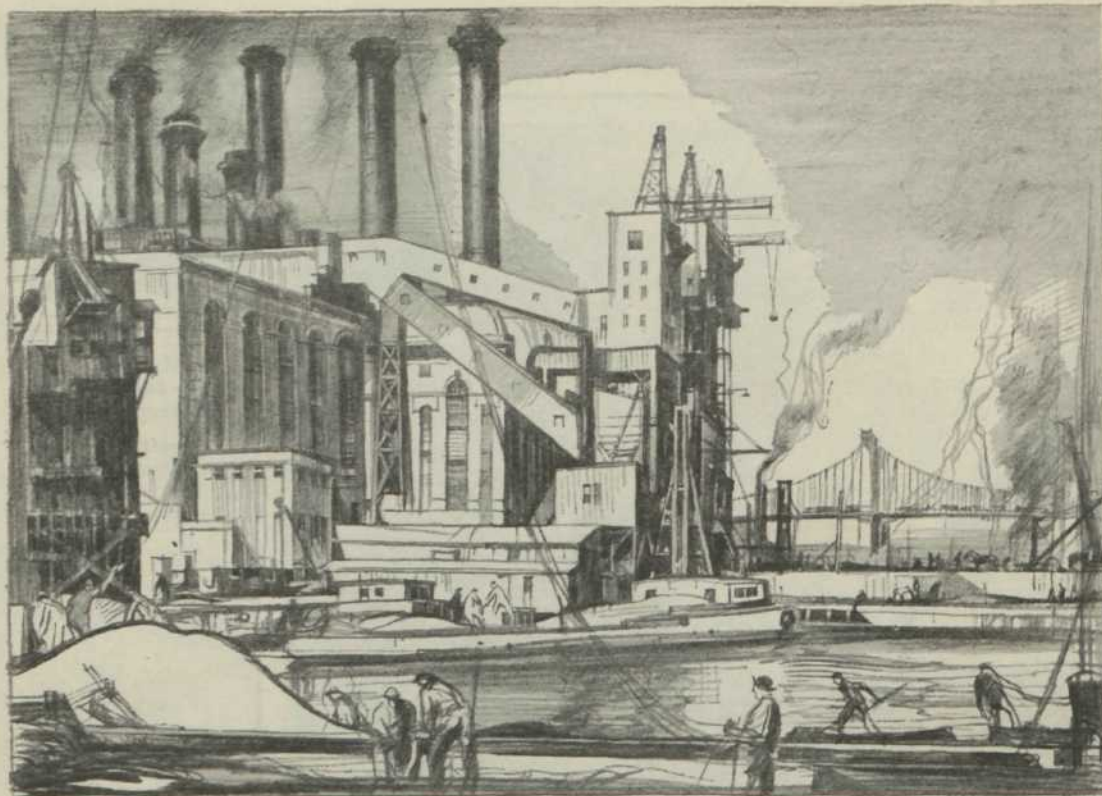
City \_\_\_\_\_ State \_\_\_\_\_

I want to see Records applicable to a \_\_\_\_\_ business.

# ACME VISIBLE RECORDS

When writing to THE ACME CARD SYSTEM COMPANY please mention Nation's Business





*The Power Plant—One of a series of industrial drawings by Earl Horter*

Correct lubrication can bring about definite economies and increased efficiency no matter what kind of product you manufacture.

**This machinery builder saved \$14,039 a year in tap and die renewals**

## This will interest your engineers

One of the world's largest makers of farm machinery thought that his plants were being operated at top notch efficiency. Operating costs were within reasonable limits.

A Vacuum Oil lubrication specialist was called in. Gargoyle lubricants were applied according to his recommendations. After 6 months the monthly cost of tap and die renewals was reduced 55% and the annual saving directly traceable to improved lubrication was computed at \$14,039.

In another department, previous to the use of Gargoyle lubricants, the spindle bearings on a battery of screw machines required replacement every 3 months. At the time of our last report from this plant no renewals had been needed in 6 months.

### **Total economy much greater**

But month to month and year to year savings are usually relatively unim-

portant results of scientific lubrication.

Scientific lubrication, by lowering the frequency of repairs, not only saves maintenance costs in all its phases, but it lengthens the economic life of machinery and saves thousands—sometimes hundreds of thousands—of dollars in renewal costs.

We are lubrication specialists. In 62 years the engineers of the Vacuum Oil Company have studied every type of machine, and this study goes steadily on, day after day. When plants such as yours appoint us as lubrication advisers, one of our trained men immediately makes a comprehensive audit of equipment and submits a report. There is no charge for this service.

We believe we can be of considerable assistance to you in the matter of reducing costs and adding efficiency in plant maintenance. Our representative will call at your request or the request of one of your engineers.

## Vacuum Oil Company

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### **Lubricating Oils**

The world's quality oils for plant lubrication



## This Month and Next

SOME one has said that if a man could see five days or even five hours ahead he could grow rich on the stock exchange, but that if he saw five years ahead he wouldn't know what to do with what he saw.

True perhaps of stock exchange dealings, but less true of business. But no man knows how far business should look ahead. Certainly not the editors of this magazine. They only know that business should look ahead; that we are living in a time of tremendous changes; that there is something of interest going on about us every minute of the year.

One thing NATION'S BUSINESS tries to do for its reader is to keep his eyes ever to the front.

With that idea in mind, read the article by Major General Squier—himself an eyes-front man—on his vision of "The Amazing Years Ahead" (page 15). It is a good introduction to the first section of Herbert Hoover's "American Individualism" (page 17)—for whatever



Maj. Gen. Squier



E. J. Kulas

may happen to business in these "amazing days," the world of business will turn to Herbert Hoover for leadership.

Shall we see in the next four years more or less of government adventure into business by way of regulation or competition? No one knows, but we do know we see outrageous cases of it now. One of them is pointed out by Chester Leasure's "Our Unfair Government" (page 21).

Does the growth of mass selling—at this writing there's a chain announced of 22 department stores selling now a billion dollars a year—mean that the wholesaler will wax or wane? C. D. Garretson in his article "The Wholesaler as I See Him" (page 18), points out some tendencies on wholesaling that may affect the future.

Shall we see mass production keep its place on the pedestal or are we finding that the god of business has feet of clay? Read E. J. Kulas on "Produce—But Be Ready to Change" (page 35).

Agricultural matters are bulking larger on the horizon, so we have two articles

VOLUME SEVENTEEN

NUMBER ONE

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## Handling Peak Loads

AT the beginning of the year bank forces are under pressure because of the greatly increased number of transactions to be handled. For this Company the increase in coupon collections alone at that time is approximately 300%. There are also lesser peaks on certain days of the month and at the beginning of each quarter.

American Exchange Irving Trust Company takes care of these peak loads through part time forces. Experienced workers, whose services are then available by special arrangement, put these additional items through with speed and accuracy.

Thus, even during peak loads this Company maintains its high standard of service for customers.

## AMERICAN EXCHANGE IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

*New York*

that are more than ordinarily timely. One, by Evan W. Hall, agricultural supervisor of the C., M., St. P. & P. Railroad, offers practical pointers to business men and organizations interested in improving agricultural conditions in their communities (page 52).



C. F. Kettering

The other, by Prof. James E. Boyle, touches on farm relief and is titled "Co-operatives and Common Sense" (page 23).

Victor M. Cutter, president of the United Fruit Company, brings a message to every forward-looking business man whose interests carry him outside the domestic market (page 43).

While keeping eyes front is good policy, it also pays to take an occasional glance behind, for the past has much to teach us regarding the future. Burton Kline proves the point in his piece, "Business of Ages Past" (page 37), and at the same time reveals modern business in a novel light.

R. L. Lockwood further proves the point when he shows how an adaption of a primitive device is making amazing cost savings for modern business (page 58).



R. L. Lockwood

Looking ahead again, we peer into the future of insurance as it deals with aviation, this through the eyes of Walton L. Crocker, president of the John Hancock Mutual Life Insurance Company (page 45).

Charles F. Kettering, director of the



W. L. Crocker

General Motors research laboratories and perforce an eyes-front man, offers rather unusual advice in his article, "Keep the Consumer Dissatisfied" (page 30).

Now, to look ahead to next month, another research expert, Charles M. A. Stine, chemical director of the E. I. duPont de Nemours & Co., promises to define just what business may expect of research. Alvan Macaulay, president of the Packard Motor Car Company, will contribute an article on the traffic problem and its solution. Dr. R. A. Millikan, noted physicist, will give us a new slant on the relation of science and industry, while W. S. Thompson and P. K. Whelpton, of the Scripps Foundation for Research in Population Problems, will write on the relation of our future population and business. Herbert Hoover's "American Individualism," which begins in this number, will be continued in February's issue.



C. M. A. Stine

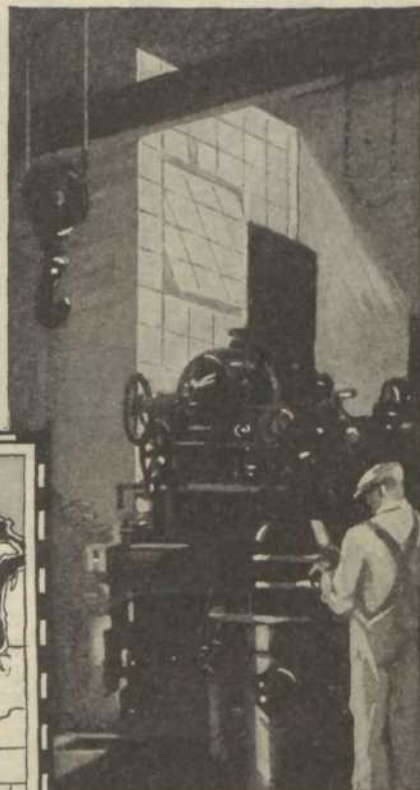
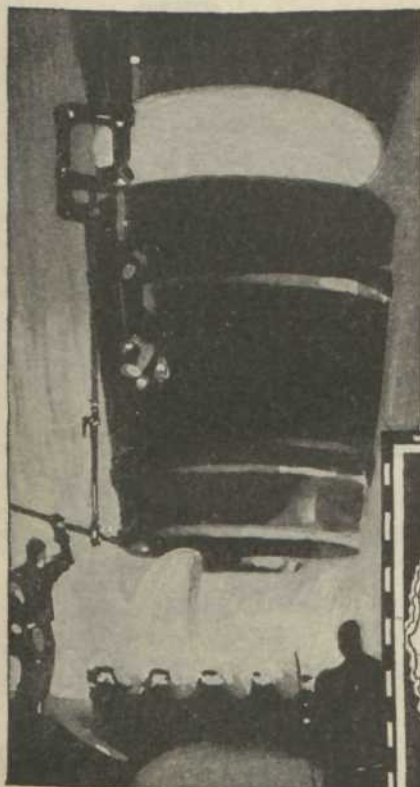


# FIRST

*in the Manufacture of*

**FOUNDRY and  
MACHINE SHOP**

*Products  
west of  
Chicago!*



# Los Angeles

## THE INDUSTRIAL COUNTY

Foundries and Machine Shops flourish in great concentrations of population because their product is a basic need of modern life. The value of the production of this industry in Los Angeles County places it first among all counties west of Chicago. The production of all factories in Los Angeles County in 1927 reached over one billion dollars—(Government figures).

Los Angeles County is the largest market and industrial center in the West. Its local market comprises more than 4,000,000 people, over one-third of the purchasing power of the eleven Western States.

*It contains nearly twice the number of factories and well over double the wage earners—wages paid—and value of output—of the*

*next most important industrial County west of St. Louis.*

But what is more important, its rate of industrial growth is overwhelmingly faster than any County of comparative importance in the whole country.

It is not a one-industry community—its manufacturing is highly diversified.

While Los Angeles County is known as the world's movie capital, its largest city outranks in manufacturing all cities west of Chicago in automobile parts and accessories, rubber tires, oil refining, wearing apparel, structural and ornamental iron and various other industries. One of these is foundry and machine shop products, with an output of over \$30,000,000 per year.

Locate your Pacific Coast plant in Los Angeles County, the center of Western industrial expansion. For specific information kindly address—Industrial Department, Los Angeles Chamber of Commerce.

## INDUSTRIAL LOS ANGELES COUNTY

*When writing to INDUSTRIAL DEPARTMENT LOS ANGELES CHAMBER OF COMMERCE please mention Nation's Business*



# IT'S *Profit* THAT COUNTS ~ NOT VOLUME



INTERNATIONAL  
ELECTRIC  
KEY PUNCH



INTERNATIONAL  
ELECTRIC SORTER  
Horizontal Type



ELECTRIC  
ACCOUNTING MACHINE



TYPE 45 EQUIPMENT



INTERNATIONAL  
TICKETOGRAPH

Profit and volume often go hand-in-hand—and often move in opposite directions.

Increased profit always denotes greater prosperity, but increased volume without proper regard to gross margin and expense can put red figures on the balance sheet.

Only by means of well-rounded analyses and a full control of those factors which produce net profits can hidden losses be eliminated, and a determination made as to whether existing policies are yielding a profit or loss.

International Business Machines for forty years have been solving problems of this kind. They provide true cost records and a safeguard against payroll losses, they accelerate production, they give accurate information regarding sales from every angle, they expose financial leaks, and provide the means whereby new methods and policies may be adopted with assurance that such changes will be profitable.

International Business Machines create and protect profits.

*Write or telephone to our nearest office for a study of your requirements; one of our representatives will be glad to make it and render a solution. No obligation, of course.*



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## Dividends for the Spirit

**N**OW COMES again the holiday season of stock-taking and inventory of Goodwill. With it comes also the usual carping of critics, foreign and domestic, who demand that a public accountant certify to the soundness of our cultural values and our spiritual assets.

But is it so bad as that? Everywhere are evidences that the American people are more and more interested in the great intangibles of life—the ennobling substantial that make it fuller and richer.

Does our national well-being hold no other reward than material prosperity, a little more money, a few more wants or luxuries brought within our buying power, a few more diversions to give variety to the pattern? Is this all?

There is something else.

Good times, general employment and well-paid work do furnish us the jam on our prosperity bread-and-butter. For the first time perhaps an entire nation has the leisure to invite its soul. Science has emancipated us from time-taking drudgery. Now we are turning to the things which enrich life and fortify the spirit. We are seeking nourishment beyond the demands of the body.

Indications of this soul-hunger are all about us. Art museums and symphony orchestras are being established throughout the country. Traveling exhibitions of paintings are novelties no longer. Concerts and lectures are regularly oversubscribed, and community theaters are in the news in many cities.

We are learning to read the aspects of beauty and the forms of art. Esthet-

ics as one of the fundamental elements of our day is exemplified in the patronage of Morgan, Frick, Widener, Juilliard and Huntington.

Their generous concern to provide permanent foundations for a popular appreciation of art is apparent in other quarters, in the intelligent efforts to make outdoor advertising more sightly, the awards to stimulate better building design, the competitions that would make even filling stations and “hot dog” stands more pleasing to the eye.

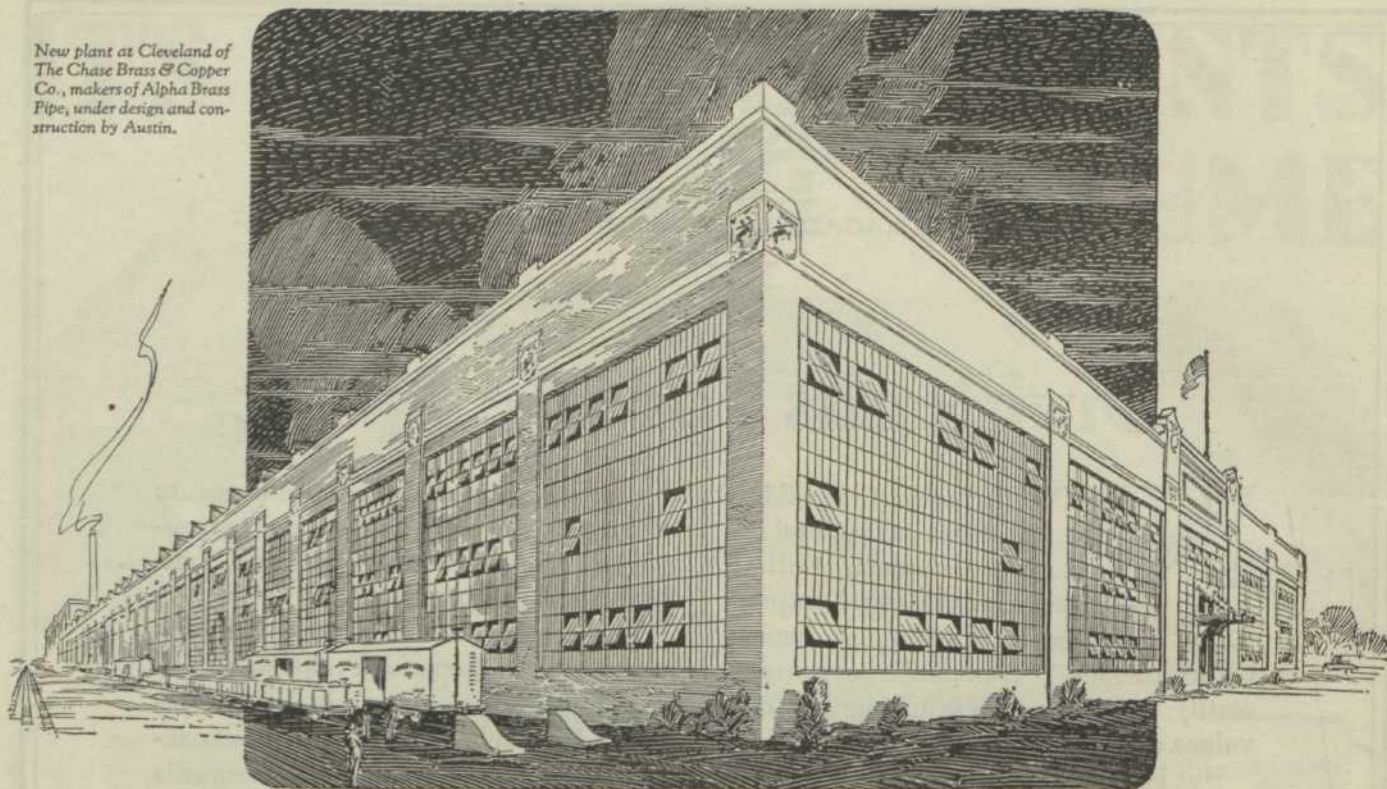
The fellowship of books is a reality for many because of the benefactions of Carnegie. Music is enriching more lives because of the munificence of Louise Curtis Bok and A. Atwater Kent. Men eminently successful in business have recognized that devotion to culture does not weaken mental fiber, but, on the contrary, makes it more elastic, more capable of withstanding the strain and stress of the workaday world.

Efficiency in business appliances and furnishings is not enough. The age demands beauty in civic development as well as in the home. Business leaders are becoming aroused by the “drum beats of a new destiny,” as President Coolidge expressed it. In every commitment of their energies and their talents they are serving notice that this nation is dedicated to a new kind of peace—to the remolding of the material world in accordance with the highest specifications of the spirit.

*Merce Thorne*



New plant at Cleveland of  
The Chase Brass & Copper  
Co., makers of Alpha Brass  
Pipe, under design and con-  
struction by Austin.



## Now is the time to plan your 1929 building program

**Y**OUR company is planning, like thousands of others, to make the most of the promising year that lies ahead. As you meet with your directors to consider the year's program, new building needs will no doubt be discussed.

Whether your problem is more economical manufacturing through straight line production methods in a modern plant, better distribution through branch plant or warehouse, or any other involving good engineering and construction, Austin can be of service to you.

For your annual meeting—whether it be in 2 days or 2 weeks away—Austin Engineers will furnish approximate costs and helpful data on any type or size of building project you may be considering.

*Phone the nearest office listed below, wire, or mail the Memo.*

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The Austin Company of California: Los Angeles and San Francisco The Austin Company of Texas: Dallas

# AUSTIN

Memo to THE AUSTIN COMPANY, Cleveland—

We are interested in a

.....project containing.....sq. ft. Send me a personal copy of

☐ "The Austin Book of Buildings." Individual.....

Firm.....City.....

NB 1-29



*When writing to THE AUSTIN COMPANY please mention Nation's Business*



# NATION'S BUSINESS



*Published at Washington by the Chamber of Commerce of the United States*

MERLE THORPE, Editor

# As the Business World Wags

THUS WE MAY SEE, QUOTH HE,  
HOW THE WORLD WAGS—*As You Like It.*

*Mass Selling  
and You and I*



Goods Association. Already twenty-two stores in cities big and little from Boston to Seattle and from St. Paul to Dallas are in the chain. More are to be added until the total sales of the stores exceed a billion a year.

All in line with what the students of distribution have been discussing for years. In September, 1924, Edward A. Filene told our readers that tremendous chains of department stores were a sure development of the future.

Great and grave questions must confront such an organization. Great savings may be made by mass buying, but can even the most able management spread itself over so great a territory without weakening? What will be the attitude of the chain toward the manufacturers who supply it? Will it undertake manufacture itself, will it seek to make the manufacturer practically its agent, taking all his product and making him independent of a selling force but entirely dependent on his own customers? These are only a few questions that confront the chain store as it grows greater.

But there is another public interest in the development of mass distribution. Constantly it asks the public for more money.

A century or so ago the man who had saved had few outlets for his investments. Commonly he lent his surplus to a neighbor and took a mortgage. Then the saver began to buy bonds, government, railroad, public utilities and last industrial. Little by little more men bought stocks, railroad, public utilities and then industrial.

It is only within the last decade or so as retailing grew that the general public has been buying distribution stocks. Now the list of stocks traded in on the big Exchange is peppered with department stores and mail order houses and chains.

## Baby-Giant Air Industry



THE writer's secretary has just crossed the main floor of the NATION'S BUSINESS to look down into the courtyard of the National Chamber's building, where Charles

A. Lindbergh is being photographed with F. Trubee Davison, assistant secretary of War for Aviation; Ed-

ward P. Warner, who has the same post in the Navy, and Harry F. Guggenheim of the Guggenheim Foundation. A notable group, interesting not only to young women who love a hero but typical of the power and force of the great conference on civil aeronautics held in the Chamber building.

But there is another group in attendance of tremendous interest to the editors of this magazine and to the American people: the business men who look to aviation as a customer, whose buying power is just beginning to be realized. Here were men of a score of old-established industries looking at one now a baby but certain to grow to be a giant.

Here's a list of some industries not directly making aircraft, whose representatives were at the Chamber building eagerly asking the questions, "What's ahead in aviation?" "What's our part going to be?"

Oil  
Electric Equipment  
Construction  
Rubber  
Spark Plugs  
Insurance  
Lighting Equipment


Precision Instruments  
Engineers  
Finance  
Brakes  
Machine Tools  
Tubing  
Cameras

It is a sign of the new open-mindedness of business. The automobile industry a quarter of a century ago had to fight for support far harder than its new baby brother aviation.

## National Bank Notes May Go



*National Bank  
Notes May Go*



NATIONAL banks are authorized, upon the deposit of United States bonds carrying the circulation privilege, to receive from the Treasury Department and to issue national bank notes. Such notes are now in circulation in an amount of more than \$600,000,000, or about 13 per cent of the total money in circulation in the country. There is no possibility of appreciable increase in this figure under present conditions, for more than 98 per cent of the bonds that are eligible as security for national bank notes are now being used for that purpose.

Indeed, instead of a possible growth of national bank note circulation, we are facing a certain retirement of the entire amount unless some action is taken by Congress, and that speedily. For the bulk of the bonds bearing the circulation privilege are two per cent consols maturing in 1930, and the small remainder are Panama Canal two's



maturing in 1936 and 1938. Unless some provision is made for replacing them with circulation securities, national banks will lose a highly prized right and we shall have to increase some other element of our currency—probably federal reserve notes.

(The Federal Reserve Act contemplated the retirement of all national bank notes, by the refunding of the circulation bonds with three per cent bonds lacking that feature.)

There are theoretical objections to a bond-secured currency. As a small central core to a total body of currency which is otherwise elastic, national bank notes may not be open, in practice, to these objections. Regardless of that, however, consideration should be had for the fact that the national banks are the mainstay of the Federal Reserve System, and if this, almost their last mark of distinction from state banks, is removed, impetus may be given to the movement of banks away from federal charter into the state systems.

### What Makes for Long Life



**W**HAT shall make an institution lasting and effective is a question which all those who have been concerned with the life and growth of the United States Cham-

ber of Commerce have asked themselves.

L. P. Jacks, principal of Manchester College and editor of the Hibbert Journal, in his book, "Constructive Citizenship," has made an answer to such a question. He writes:

History shows—and history has no deeper lesson to teach—that the institutions that last longest, that link human beings together in the most abiding and beneficent fellowship, are those that rest upon a fiduciary basis, those that embody a tradition of trustworthy service, those that gather to their service a continuous succession of honorable and loyal men—an historic church, for example, a university, a scientific fraternity, the medical and legal professions, and, in the field of economics, such institutions as banking and mutual insurance. These are the institutions which, while not exempt from decay, last longest, gathering vitality as they go, becoming not weaker with age, but stronger and more beneficent, in contrast with institutions that rest on force or coercion and begin to decay from the moment they are set up. There is a correlation between the lastingness of an institution and the fiduciary character of its service.

A tradition of trustworthy service, a continuous succession of honorable and loyal men, these are fine ideals, and ideals which not only the United States Chamber of Commerce, but every chamber of commerce and every trade association, might make its own.

### Helping the Out of Work



**W**ITH any project which shall "stabilize industry and employment," American business cannot be unsympathetic.

The quoted phrase is from a bill that was introduced in Congress by Senator Jones of Washington last January.

The bill would have appropriated various sums for public works with this provision:

"No appropriation shall be made . . . until such time as the President finds and communicates to the Congress that the volume, based upon value, of contracts awarded for construction work in the United States has fallen 20 per centum for a three-month period below the average of the corresponding three-month periods of 1926 and 1927."

The project, or one like it, was brought to the surface at a recent gathering of state governors where Governor

Brewster of Maine proposed, and claimed for his proposal, the approval of President-elect Hoover, that a three-billion-dollar fund for public works be created, to be spent under some such general provisions as those suggested by the Jones bill.

The idea has been in the business mind for some time. In 1923 the President's Conference on Unemployment recommended:

If it were possible for a smaller percentage of public works projects to be undertaken in periods when private industry is active, so that more work might be done during periods when private industry is slack, the Government would not compete with private industry to so great an extent in times of prosperity and thus would not be a factor in the inflation of money rates, prices of materials, and employment.

Certain points are sure to be raised in any discussion of the bill. One is this: How valid is the proposed index? Construction is but one of our major industries and construction may lag at a time when there is no such "unemployment and general depression" (again we quote from the title of the Jones bill) as to call for general relief.

Other questions which faultfinders will raise are these: "Suppose unemployment—and unemployment is perhaps another way of saying depression—is ripe in certain industries but not in construction, would not these industries be denied relief if our one index is to be of construction, and can the unemployed in, say, the textile industry, be taken over for their own good or the good of the public by work on construction with which they are unfamiliar and in which they are unskilled.

And again this question is sure to be discussed: Would not a program of public works planned to alleviate unemployment and industrial depression, tend to include works of which the primary purpose might be stimulation of employment and not meeting a public need?

Furthermore, what would be the danger of increasing federal taxation and the possibility that that in turn might act as a deterrent to industry?

### Chains and Communities



**D**OWN in Raleigh, North Carolina, Josephus Daniels, who used to be in President Wilson's Cabinet, runs the *News and Observer*.

A Mr. R. J. Madry, writing in Mr. Daniels' paper, called chain store men blood suckers and leeches. Mr. W. T. Grant, head of a chain, saw the article and grew somewhat hot under the collar. Here's a part of what he wrote to Mr. Daniels' editor:

I have not always been a chain storeman. I was errand boy, soda dispenser, shoe clerk, buyer, and held other jobs before I was twenty-nine years of age, when, by hard work, I had managed to save one thousand dollars.

Then I had an idea. I worked that idea and found myself in charge of a twenty-five cent department store with my name over the door.

Either by luck, or by the qualities I possessed and the fundamental soundness of my idea, I made a great success. Crowds came and kept coming. My store was called a God-send to the community. I never thought of a chain of stores. I was busy as many of the twenty-four hours of every day as a human being can be and still keep going. I liked people to say my store was a God-send to the community.

When someone suggested that the people in Waterbury, Connecticut, would like to have a store like the one I was running in Lynn, Massachusetts, I opened my second store.

Again people came in crowds. Again I heard people saying on all sides. "This store is a God-send. Just see what we can buy here that we have paid even two and three times the prices for before."

Whom am I supposed to look to for my approval—to the indi-



vidual, merchant, or the wholesaler, or to the thousands of customers they are supposed to serve?

Now don't get the idea that I approve of all chain stores because I think there are a lot of leeches and blood suckers in all business; but I doubt if there are any more in the chain store business than in other business.

The people of America have given their vote of approval to chain stores in one of the most remarkable buying demonstrations ever seen. There is a reason. Suppose some one could force business back into the old-fashioned ways with its high prices, poor assortments, inadequate service, and other inconveniences. I think that is when you would hear the voice of the people. How many towns or cities would be willing to do without a Woolworth store?

I shall cooperate with anyone who is intelligently and really interested in improving distributing methods, but nothing will be gained by appealing to our political leaders with sentimentalities and half-cocked statements born of some selfish viewpoint.

Let us get at the facts and let him win who renders the biggest possible service to the consumer. He will anyway.

Life is made up that way.

Which is a pretty good setting forth of the case for the chain store.

### *We Spend But We Save*



WITH all the wild cry of over-speculation by the general public, with all the alarm that installment buying has stirred in the minds of the timorous economists,

with all the outcry against our extravagance from preachers in pulpits and out of them, this fact remains: The per capita deposits in savings banks in this country increased from 1918 to 1928 by 113.5 per cent and in the last year by 7.7 per cent.

There are some \$28,400,000,000 in our savings banks, says W. Espey Albig, in charge of the savings bank division of the American Bankers' Association, and these dollars belong to 53,000,000 individual depositors (perhaps we should say accounts for there must be many who have more than one account.) There are say 120,000,000 men, women and children in the United States and an average of \$236 each in the savings bank seems a fine figure with which to face a new year.

### *Tax the Imported Anecdote!*



ONE of our great American industries is threatened. That was made plain at a recent dinner. Of all the anecdotes at least three-fourths were Scotch.

Now that there is talk of an early revision of the tariff laws it may be well that the tariff on Scotch anecdotes should be revised. To see our American joke factories idle with honest American jokesmiths looking for work would indeed be sad.

The danger, of course, in proposing too high a tariff would be the encouragement of the smuggling of Scotch humor. Think of having a man sidle into your office and whisper:

"What about a case of fine new Scotch jokes. Right off the ship. I'm a steward on the Tartan and Kilt just in fra' Glasgie."

But there is a hope for the American joke industry. At this same dinner, a visitor from Czecho-Slovakia regretted his inability to tell an after-dinner anecdote. It was not, he said, common in Czecho-Slovakia. But, he added, I am taking home some jokes.

We may yet build up an export industry. To offset the importation of "Did you hear the one about the Scotchman who" we shall send abroad that one that begins, "It seems there was an old darkey who."

## With the Turn of the Year

IN RETROSPECT, the first post-war decade, of which 1928 marks the close, appears as one of the most significant in American business.

It has been crowded with achievement. Industry has applied to common uses the harvest of discovery science has reaped—in the radio, in chemical refrigeration, in cellulose products, in synthetic compounds and a wide array of commodities unknown a generation ago. Business enterprise has been launched upon a vaster scale than ever before. The rapid accumulation of wealth is reflected in gigantic buildings and in the profusion of things which until recently were rare luxuries.

But progress is not written in these alone. Of greater import is the development of business philosophy and the clearer perception of economic ideals which lay far beyond the horizon of industry at the opening of the century.

Production has been brought to a state of amazing proficiency. We are no longer faced with the disconcerting possibility that our increasing needs will outrun our resourcefulness. Industry is now concerned with the more immediate problem of perfecting the methods by which its products are brought within range of those who use them.

In the lengthening business perspective distribution has succeeded production, and beyond distribution is coming into view the more intricate problem of consumption.

Abundance is not alone a measure of attainment. It is not enough to make things in profusion and to lay them at the feet of the public. A proficiency that begets improvidence and extravagance is less wholesome than slow-plodding thrift.

If we are to continue to advance and to raise to higher levels our standard of living, wisdom in the use of the things we have learned to produce is essential. The skill we have developed in meeting our needs and supplying the luxuries we now enjoy must be turned to the development of a more wholesome existence, to making better the world we live in.

In this light it is inconceivable that we can produce more of the things that make for this result than we need or that our standard of living can reach a static level. So long as there is a possibility of further improvement, the task of business is not done.

There is no reason to believe that the rapid pace we have attained during the past decade will lag in the next.

*Wm. Ballouworth*

President Chamber of Commerce of the United States





HERBERT HOOVER

*A new lithograph by S. J. Woolf*



**G**ENERAL SQUIER, a scientist of distinction, in war-time envisioned the Liberty motor, saw that adequate flying fields and equipment were provided. His researches in telephony and telegraphy have written one of the most brilliant chapters of science. In this article he looks ahead, sees things even greater than we have dreamed. In the President-elect, a fellow scientist, he finds leadership scaled to fit the new age

# The Amazing Years Ahead

By Maj. Gen. GEORGE O. SQUIER

**I** AM 63 years old. I have seen marvelous things. I was born in an age of oil lamps, a halting telegraph and a single track railway, and Uncle Tom's Cabin in a tent. I am living now in a world of electricity, radio, airplanes, and Uncle Tom's Cabin in the talking movies.

But the next ten years will give me more marvels than the last 50. Nowhere in the world have these changes been developed and accepted so fast as they have in America.

Resourcefulness is not alone ours among the nations. We hold no monopoly on invention and discovery. The distinction that I wish to raise is to be found in our intelligent discontent, our unwillingness to support the old when the new invites us to a better way, a larger life.

There is in us a persistent hospitality to change and progress. So fundamental and directing is this attitude of mind that it needs no domestic emphasis to bring it into universal view. Again and again I find myself turning to the terse appraisal of an ambassador of France. For Henry Berenger was observing us closely when he wrote:

In the United States, very little repairing, still less conservation is done; but incessant creation, incessant organization, incessant grouping are maintained; confidence is given a larger place than criticism, credit takes precedence over constraint, gain over economy, the active and equalizing democracy supersedes the old hierarchy of social and governing classes.

## Civilization Not Machine-Made

**A** CONCISE judgment, yet its crispness seems to give no ear to the occasional and ominous creakings of our machine-made civilization. Certainly there is reason for believing that the mechanics of life are too often synchronized to an accompaniment of human pessimism and defeat. Too many lives are lived in a tepid simmer of drab futilities, too many plans fail for want of a heroic mold.

Nor is it presumptuous to ask why nations must have the searching spur of emergency to achieve their supermomentums. The world is comforted with the assurance that its standards of living are continually breaking altitude records, but only smugness is served by the belief that this is the best of all possible worlds.

## Progress and Change

**P**ROGRESS halts if we balk at the enormous dislocations and readjustments it demands. War provides its own stirring of the spirit, and in the ecstasy of patriotic sacrifice advanced positions of human endeavor are consolidated for permanent occupation. True enough, what is purely emotional may collapse and idealism may seem to falter with the end of struggle, but the will to go forward is indomitable. Nations, like men, get their "second wind."

The moment war was declared in April, 1917, every man, woman and child was thrown into an entirely new, high-speed gear. A new supreme purpose took possession of soul and body as if by magic. We began to make more major decisions in a day than we had been able to make in a month. And more impressive, our decisions and actions were clear, clean cut, and accurately directed to the definite purpose of victory.

The astounding thing was that this new high level of performance did not tear the human machine to bits, but that it ran better than ever. It took no more fuel, measured in calories, than it did before, and the periods of rest for complete repairs were not increased beyond the usual eight hours. Nor did we grow physically older at a faster rate.

Every one of us has had his "big moments," every one of us has pushed beyond the established fatigue levels, every one of us has driven the physical machine far beyond its indicated load capacity. Here is a problem that touches directly on the public interest and the national welfare. Why do we live so much of our

lives below par? Why do we have good days? Why do we have bad days? Why can we not pool our resources of intelligence for attaining a higher humanism, a more gracious living, a more beautiful environment?

This "second wind" will not come with artificial respiration, of course. Ballyhoo and all the high pressure urges toward advancement in national well-being are credible only as inspired sound and fury. The trouble is that we cannot get a foothold on an echo. A leaf from the notebook of a scientific laboratory would be far more useful.

But, first, let us pledge ourselves to a new affirmation of faith that science is not a secret ritual bound by the covers of a book. Its litany has been translated and humanized by the Mendels, the Priestleys, the Pasteurs, the Listers, and the Lavoisiers of an earlier day—and by the Curies, the Millikans, the Michaelsons, the Richards, the Edisons, the Langmuirs, the Steimmetzs, and the Whitneys of our own times.

## Laboratories Breed Ideas

**P**ALATIAL laboratories with princely endowments can hold no monopoly on discovery and invention, yet it is everywhere remarked that good tools and freedom from economic pressure promise successful search. The momentum of progress is not likely to be lost when a group of trained minds is coordinated for a definite forward movement.

Out of our laboratories come our comforts and conveniences, for it is in them that the basic ideas are generated and projected for adaptation to popular usefulness. All who have helped to bring science to a larger service of mankind will share Dr. Arthur Little's belief that it proclaims new commandments as inflexible as those engraved on stone, and furnishes what Wiggam has reverently termed "the true technology of the will of God."

The nerve centers of this concerted ap-



plication of mind to matter are found in university and industrial laboratories. Private bequests and endowments in behalf of scientific advancement emphasize the general observation that pure science is no poor relation in college curriculums. Gained today without reference to present use, it provides the essential key to the morrow's problems. American business has provided workshops where pay lodes of science may be sought with the aid of the most modern tools.

We hear of expenditures by the millions—\$200,000,000 a year by some estimates, \$70,000,000 through the Government, and \$130,000,000 through commercial firms. Any comprehensive inventory of our research resources would include the bulky items of plant and equipment, and the incalculable intangibles reposed in the 300,000 physicists, chemists, engineers, mathematicians, and trained technicians. As for suggesting the substance of this tremendous adventure, we may turn to the structures erected by the General Electric Company, the United States Steel Corporation, General Motors, and the United States Rubber Company.

### Striving for the Best

IF WE want a more itemized measure of faith in these citadels of science, it is at hand in the laboratory work of the American Telephone and Telegraph Company, for the headquarters of all the Bell companies spends \$15,000,000 a year on research and employs 4,000 specialists.

It is pertinent that we should ask, "What does it all matter?"

An example or two may help to indicate the answer. Just a few years ago a new alloy of nickel and iron was discovered in the Bell Laboratories, and this "permalloy," as it is called, has already revolutionized the manufacture of ocean cables—a process that had been static for 50 years.

Nearer the public interest perhaps, is the reality that this "permalloy" puts the cables into more robust competition with the trans-oceanic radio.

Long ago we learned that ours is "a billion-dollar country" when measured by congressional appropriations. On the side of thrift it is worth while to note the billion dollars saved the public in the cost of electric light. This saving, made possible by General Electric scientists, is not imaginary. It is real. If we were all using the old style carbon lamp instead of the gas-filled tungsten bulbs, our light would cost us a billion dollars a year more than we now pay.

Few of us take the time to inquire the source, yet we are quick to accept the

fruits of organized science. Scientific signs of the times are all around us in our cities, from airports in the outskirts to double-deck streets in the business districts. Business practices and household economics have been revised and amended out of all likeness to their old ways. The counting house is mechanized. Great power plants run with only an automaton on guard. Everywhere man's time and strength are conserved and saved, and to what higher purpose we are now thoughtfully inquiring.

The machine itself is a miracle and we expect miracles from it. Merchandising is modified with chain-store methods. Domestic drudgery is assumed by laundry, bakery, and factory. New forms of transportation and amusement are continually provided for the capricious multitude. The history of yesterday is sold for a few pennies.

Everywhere we see automobiles that really look like pleasure vehicles. And

★ ★ ★ **W**E ARE on the threshold of an experience new in this country. For the first time since the Republic was founded it has chosen as President an engineer-scientist. We began with Washington, a landowner and capitalist, have turned occasionally to the school teacher and soldier, but for the most part we have remained true to the lawyer.

It is the engineer quality of Mr. Hoover's mind that moved General Squier to write "The Amazing Years Ahead." It is the engineer quality in Mr. Hoover that led him to set down six years ago his specifications of the relationship of government and business.

He called this philosophy "American Individualism," and has since demonstrated by his works his faith in these principles. Impressed by this fact Nation's Business about a year ago bought the serial rights and presents in this issue the first instalment.

Much has been written about what someone else thinks Mr. Hoover thinks. Here in his own words is what Mr. Hoover does think. Nothing can be more timely than this description of his policies and principles. Business men facing problems of government relationship may find here the philosophy upon which the solution of these problems will be based

—The Editor

it takes no Argus to find tires that will go 25,000 miles, brushing lacquer that dries in 30 minutes, washing machines that are wringerless, movie cameras that slip into a coat pocket, clocks that run by electricity, boilers that feed themselves, farm machines that cut and thresh grain at one operation. Newspaper headlines remind us daily that there are innumerable new industries, now offering means for decent livelihood to millions and opening careers to thousands.

Wonder follows on wonder with a kaleidoscopic rapidity that finds no measure in our outworn stock of superlatives.

Science has enriched and stimulated our intellectual life. It has brought the peoples of the earth into closer touch than English shires once were. It has revolutionized industry, enlarged the opportunity of the average man, and added enormously to his comforts and well-being.

But where progress is expected, pause will not suffice. We must go on. We must not be confused by the skeptic's contention that science is "a thing on the outskirts of human life—it has nothing to do with the center of human life at all."

Nor need we be chilled into passivity by the challenge of John Jay Chapman, who declared that, "Science, which filled the air with so loud a bray, is really a branch of domestic convenience, a department for the study of traction, cookery, and wiring." But the fault is not with science, nor with scientists. It is with those "who have mainly used the immense spiritual enterprise of science to secure five-cent fares, high wages, and low freight rates" when it should have "ushered in a new humanism."

In the difference between promise and performance is a present national opportunity, for it is our good fortune to have a sympathetic and intelligent leadership. We may be sure that Herbert Hoover is not the man to sit idle in the White House and refrain from initiating new courses. All his past is against it. Everywhere he has shown the exploring, organizing, and creating instincts. In what special direction he will leave his mark we must wait to see.

### Our Throbbing Era

I HAVE found in one of his addresses this text that seems to me to register the throbbing tempo of our times:

A new era and new forces have come into our economic life, and our setting among the nations of the world. These forces demand of us constant study and effort if prosperity, peace, and contentment shall be maintained.

The assignment there indicated is exacting enough to test the best that is in us. Let us not rhapsodize too much on what we have done. Let us think more on where we want to go, and how we shall get there. Whatever the hazards and rigors of the quest, we shall be stimulated by the high-mindedness of the new leader—the man who so clearly sees that the problems of the next four years are "moral and spiritual," the man who reads the Presidency as "the inspiring symbol of all that is highest in America's purpose and ideals."



# American Individualism



By HERBERT HOOVER

*President-Elect of the United States*

**W**E HAVE witnessed since the beginning of the World War the spread of revolution over one-third of the world. The causes of these explosions lie at far greater depths than the failure of governments in war. The War itself in its last stages was a conflict of social philosophies—but beyond this the causes of social explosion lay in the great inequalities and injustices of centuries flogged beyond endurance by the conflict and freed from restraint by the destruction of war.

The urgent forces which drive human society were plunged into a terrible furnace. Great theories spun by dreamers to remedy the pressing human ills came to the front of men's minds.

Great formulas came into life that promised to dissolve all trouble. Great masses of people flocked to their banners in hopes born of misery and suffering. Nor was this great social ferment confined to those nations that burned with revolutions.

Now as the storm of war, of revolution and of emotion subsided there was left even with us of the United States much unrest, much discontent with the surer forces of human advancement. To all of us, out of this crucible of actual, poignant, individual experience came a deal of new understanding, and it is for all of us to ponder these new currents if we are to shape our future with intelligence.

Even those parts of the world that suffered less from the war were partly infected by these ideas. Beyond this, however, many had high hopes of civilization suddenly purified and ennobled by the sacrifices and services of the War; they had thought the fine unity of purpose gained in war would be carried into great unity of action in remedy of the faults of civilization in peace. But from concentration of every spiritual and material energy upon the single purpose of war the scene changed to the immense complexity and many purposes of peace.

Thus there loom up certain definite underlying forces in our national life that needed to be stripped of the imaginary—the transitory. A definition should be given to the actual permanent and persistent motivation of our civilization. In contemplation of these questions we must go far deeper than the superficials of our political and economic structure, for these are but the products of our social philosophy—the machinery of our social system.

Nor is it ever amiss to review the political, economic, and spiritual principles through which our country has steadily grown in usefulness and greatness, not only to preserve them from being fouled by false notions, but more importantly that we may guide ourselves in the road of progress.

## Social Philosophies Compete

**F**IVE or six great social philosophies are at struggle in the world for ascendancy. There is the Individualism of America. There is the Individualism of the more democratic states of Europe with its careful reservations of castes and classes.

There are Communism, Socialism, Syndicalism, Capitalism, and finally there is Autocracy—whether by birth, by possession, militarism, or divine right of kings.

Even the divine right still lingers on although our lifetime has seen fully two-thirds of the earth's population, including Germany, Austria, Russia, and China, arrive at a state of angry disgust with this type of social motive power and throw it on the scrap heap.

All these thoughts have been in ferment in every country in the world. They fluctuated in ascendancy with times and places. They compromised with each other in daily reaction on governments and peoples. Some of these ideas are perhaps more adapted to one race than another. Some are false, some are true. What we are interested in is their chal-

lenge to the physical and spiritual forces of America.

The partisans of some of these other brands of social schemes challenge us to comparison and some of their partisans even among our own people are increasing in their agitation that we adopt one or another or parts of their devices in place of our tried individualism. They insist that our social foundations are exhausted, that like feudalism and autocracy America's plan has served its purpose—that it must be abandoned.

There are those who have been left in sober doubt of our institutions or are confounded by bewildering catchwords of vivid phrases. For in this welter of discussions there is much attempt to glorify or defame social and economic forces with phrases. Nor indeed should we disregard the potency of some of these phrases in their stir to action—"The dictatorship of the proletariat," "Capitalistic nations," "Germany over all," and a score of others.

We need only to review those that have jumped to horseback during recent years in order that we may be properly awed by the great social and political havoc that can be worked where the bestial instincts of hate, murder, and destruction are clothed by the demagog in the fine terms of political idealism.

For myself, let me say at the very outset that my faith in the essential truth, strength, and vitality of the developing creed by which we have hitherto lived in this country of ours has been confirmed and deepened by the searching experiences of seven years of service in the backwash and misery of war.

Seven years of contending with economic degeneration, with social disintegration, with incessant political dislocation, with all of its seething and ferment of individual and class conflict, could but impress me with the primary motivation of social forces, and the necessity for broader thought upon their great issues to humanity. And from it all I emerge an

(Continued on page 81)





**R**ECENTLY, my company departed from its policy of distributing exclusively through wholesale dealers, a policy it inaugurated about seven years ago. At that time, when all manufacturers in our line were accepting orders from all sources, we concluded that the wholesaler was indispensable. After reaching this conclusion, it was only consistent for us to confine our selling to the wholesale channel.

We still believe in the principle, but we have found it necessary to modify our policy for the simple reason that in many parts of the country the wholesalers do not give us the distributive service that our business demands.

In talking with manufacturers of various lines, I find that they are faced with the same problems of distribution that we are. Hence I'm convinced that the wholesalers in our line are rather typical of wholesalers in all lines.

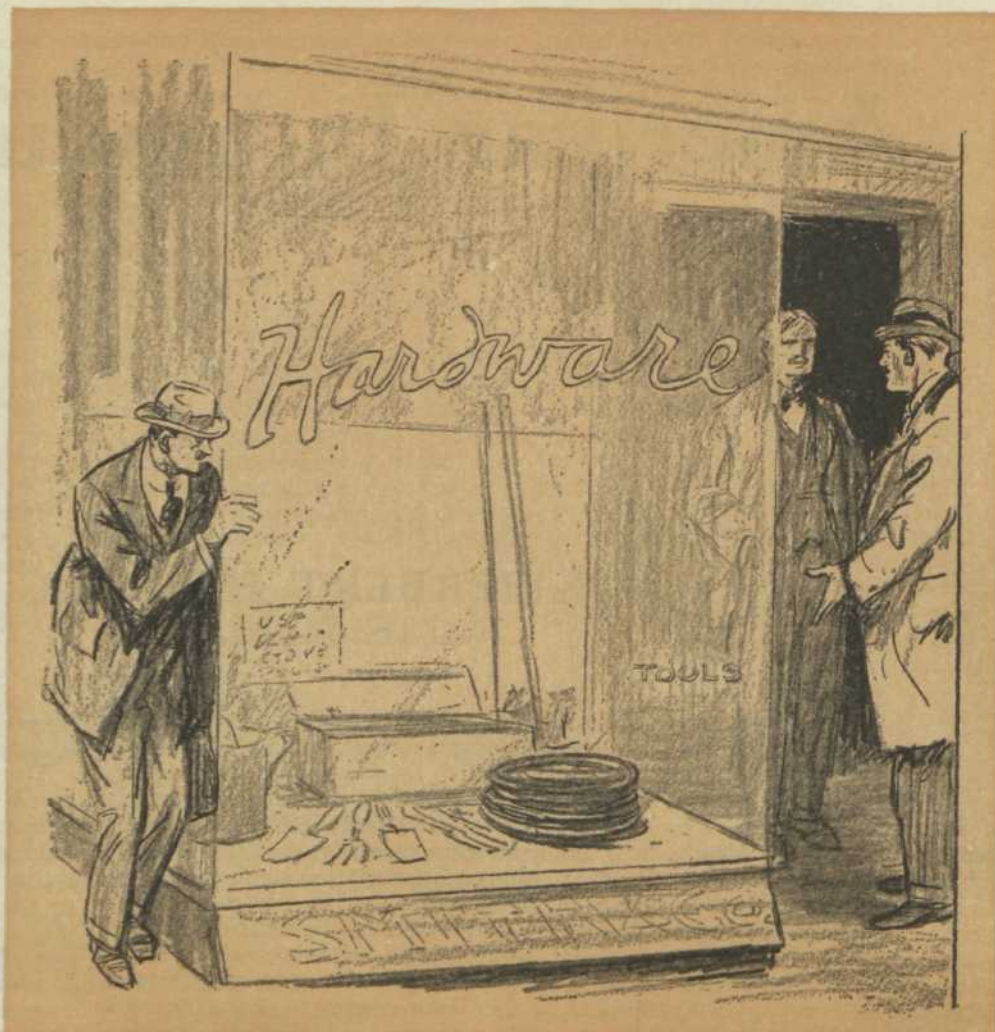
In a previous article in NATION'S BUSINESS I showed how the manufacturer contributes to the disorder and unnecessary expense that now prevail in getting goods from the manufacturer to the consumer. Our experience shows that the wholesaler is equally at fault in the matter.

Last July we notified our customers that we were forced to announce a modification of our earlier sales policy and told them frankly that only a comparatively few jobbers had cooperated with us.

#### Failings of Wholesalers

**W**E named as our reasons for the change repeated failure to follow up business secured by our own men and given to jobbers, the substitution of goods of other manufacturers when our goods were specifically called for, inadequate stocks, failure to solicit orders for our products, and several others. We told our customers frankly that, while we had given the wholesalers the best we had, most of them did not return their best to us.

We also assured them that we still believed that their functions were essential and that manufacturers could distribute more economically through wholesalers than direct, but that we also had to make sure that the wholesaler was performing his economic functions. We announced



"The wholesaler had not considered that this manufacturer would be waiting . . .

## The Wholesaler as

By C. D. GARRETSON

*President, Electric Hose and Rubber Company*

further that in the future we would solicit business from industrial plants and dealers direct, at prices shown on our resale price sheets, at which prices jobbers could also take the business with a profit to themselves. On the other hand, we announced that we would refuse to sell to any jobber who sold our goods at lower prices than those listed on our price sheet.

"We hope, in this way," our announcement read, "to prove to jobbers that our goods can be sold in increasing quantities. We also want to awaken jobbers to their proper economic function, something we have failed to do by the methods we have pursued in the past.

"Jobbers who are cooperating with us have nothing to fear from the new policy. Jobbers who are not cooperating must expect to meet our competition, but at a price which protects them."

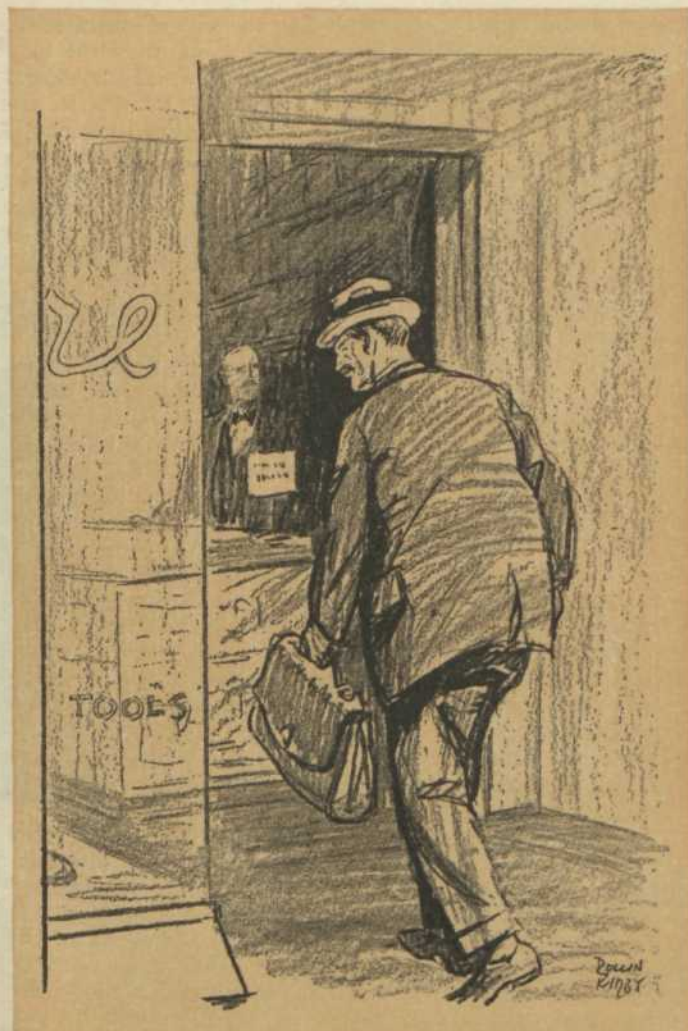
Now all of these reasons can be briefly summed up by saying that the majority

of wholesalers are doing too much jobbing and not enough merchandising. They are obsessed with the desire to beat the manufacturer down to the lowest possible price, regardless of quality in most instances, and their reselling is done largely on a basis of price. They ignore the fact that orderly distribution cannot be had on a highly competitive price basis, and they appear to have forgotten that merchandising is nothing more nor less than orderly and profitable distribution.

#### Some Have High Standards

**O**F course, there are exceptions. There are a few wholesalers who fully realize their important part in distribution and their responsibility to manufacturers, to retailers, and to the public. But the majority are so busy trying to buy goods at the lowest possible price, and to resell them at a price under that of their com-





... just around the corner to undersell him to the retailer"

# I See Him

As told to JAMES TRUE

Illustrations by Rollin Kirby

petitors, that they are ignoring the principles on which every enduring business must be built. If the wholesaler is eliminated, it will be largely because of his own unintelligent and unfair methods.

On the subject of price, I could relate many disastrous experiences, but two or three will suffice. The other day we received a red-hot letter from a wholesaler who has been our customer for many years. It related the fact that he had been quoted a price on garden hose that was 15 cents lower per 100 feet than our price. He demanded that we meet this difference and, if I am not mistaken, intended to convey the impression that he would discontinue our line if we did not meet the price.

Now, this man did not consider that the price we quoted on competitive garden hose this year was made to give our wholesale customers an even break with the mail-order houses for the first time.

was mesmerized by the possibility of saving 15 cents per 100 feet on a single item.

This scramble for lower prices is the bane of the manufacturers' existence. Always there is the demand for an inside discount and for discrimination.

"Give us a lower price than you give anyone else," most of them plead, "and we will sell more of your product."

They do not realize that their competitors are making the same demand, and that a discrimination never can remain a discrimination very long. They are selling goods on a price basis only, and in doing so they are gradually eliminating themselves.

## How a Sale Falls Through

NOW let me illustrate how this mesmerized state of mind demoralizes the manufacturing business. Not long ago, one of our salesmen learned that a construction company was in the market for steam hose.

He called on the company and practically sold our product, referring the buyer to our nearest wholesaler. He then called on the wholesaler, explained the transaction, told him the price quoted and requested him to submit samples at once.

Later, when our salesman called again on the construction company, he found

"IF THE wholesaler is eliminated, it will be largely because of his own unintelligent and unfair methods," says C. D. Garretson. He also says a number of other things with which you might not agree. His is a one-man view, to be sure, but he speaks out of his own experience as a manufacturer

The complaining customer ignored this fact, and centered his thought on the little extra discount a newcomer in the field had offered him on a single item. The years of effort we had devoted to building up business for him, and the many customers that he had secured for our product were not considered. He was willing to risk losing a considerable amount of business because he

that our wholesale customer had submitted samples of our product, together with samples of an inferior and cheaper product, and that the wholesaler's salesman had sold the latter.

Strange to say, the wholesaler could not see anything unethical in this transaction, yet he would have emitted a doleful howl if we had sold the construction company direct.

The wholesaler adhered to his policy of selling goods on price. He failed to show any appreciation of our effort and expense in his behalf.

I could give hundreds of other illustrations to prove the inefficiency of the average wholesaler in distributing the manufacturers' products.

## Doesn't Understand Problem

THE real problems of the wholesaler are problems of selling, not of buying. Getting orders at the lowest price is not selling. The salvation of the wholesaler and his survival in many lines of business depend upon his ability to sell merchandise, to distribute goods at a profit to himself and to his manufacturers. But, according to our experience, not more than one jobber in ten realizes these facts.

The average wholesaler will not only fail to sell goods at reasonable prices, but he will not accept a resale service from his manufacturers with any degree of appreciation. Not long ago, one of our salesmen sold a bill of goods to a contractor. Technical knowledge was necessary to put the order through, and our salesman secured the business largely because he was able to apply our goods to specific construction problems. He advised the contractor to send the order to our nearest wholesaler, and thought that as far as he was concerned the deal was closed.

Later, however, the salesman called again on the contractor, who complained that other goods had been substituted for ours. Our man advised the contractor to return the shipment, and to demand the goods he had ordered. The transaction was eventually satisfactorily concluded. But on his next call on the wholesaler our salesman was greeted by an emphatic complaint and a demand to know why he had interfered with the wholesaler's business.

Such instances clearly show that the average wholesaler does not realize the place that he rightfully should occupy in our system of distribution. Evidently,





"Many wholesalers in various lines take the attitude that they are only warehouse men"

anything we may do in his interests is considered as a sign of weakness. If we confine our line to the wholesaler exclusively, he neglects our goods and shows no appreciation of the protection we assure him in reselling. If we sell goods for him he does not hesitate to substitute cheaper and inferior goods which he may have in stock, or on which he may believe he can make a slightly better profit.

We have found that the average wholesaler will not carry an adequate stock of goods, regardless of the fact that we have distributed through his channel exclusively for nearly seven years. When customers order our goods, they must wait, many times, until a shipment can come from the factory. The wholesaler apparently never realizes that one of his most important advantages is prompt delivery and that his business, primarily, is service. His thought is concentrated on getting single orders at any price necessary.

#### Policy Counts in Long Run

LIKE many manufacturers, such wholesalers have forgotten, if they ever knew, that the success of their business depends, not on selling individual orders at any price they can get, but on what happens to the goods after they are passed along in the channel of distribution.

According to our experience, the policies of the houses we buy from are more important than the prices they quote on their materials. For many years we have bought rubber from one concern, and frequently we send this house orders for material without a price. We know that it is the policy of the concern to look after our interests, and we have found it profitable to do our purchasing this way.

You would think that any business man would consider a change of policy on the part of a manufacturer at least as important as a change in prices. But we have found that the great majority of our

wholesale customers do not agree with us. The other day, a customer who has been with us for years furnished a typical experience. When our salesman called on him, he said that he had received a letter from us stating that we had changed our policy and would resume selling direct; and that he had decided to throw out our stuff entirely.

The salesman asked him if he had read the letter carefully. He replied that he had only read the first part and had then thrown the letter away. The salesman produced a copy and asked the wholesaler to read it carefully, since it was the most important communication we had sent to him in many months. He read the letter through and his attitude changed. He admitted that he had been a little hasty.

The incident illustrates the attitude of mind which is prevalent throughout the wholesale industry. Wholesalers are inclined to jump to conclusions on imaginary evidence. Our change of policy does not affect the wholesaler who is carrying along his business according to economic law. The matter of policy on the part of the manufacturer is important, but it seems that the average wholesaler cares nothing about anybody's policy, and is looking only for goods at a price.

When the wholesalers get together at their association meetings and adopt codes of ethics and praise the manufacturers who are supporting them, they make a good showing. They enjoy an emotional jag and have a fine time discussing things that they ought to do. They are converted and promise each other that they will mend their ways. And then they go back home and backslide all over their territories.

My company has been fighting for the wholesaler with other manufacturers for many years. Give us one good wholesale distributor in every logical territory of the country, one who is conducting his business according to good business principles, and we will ask for no other channel of distribution. But we are getting tired of having wholesalers assure us that they are doing everything they should do and then finding that they are doing nearly everything they should not do.

Not long ago, a large wholesaler complimented us on what our company has

accomplished in the way of distribution. He assured me that we were the only manufacturers in our line who understood the jobbers' problems. He was so appreciative of our efforts and so emphatic in his endorsement of ethical practices on the part of the wholesaler that I told him we would like to cooperate with him in distributing our products. He replied that he was entirely willing, and asked me to submit prices.

#### Extra Discounts vs. Ethics

WELL, we submitted prices. Then we sent one of our best salesmen to see him. The wholesaler treated our salesman courteously, but he did not buy our line. He explained that he had found a manufacturer who had given him an extra discount on several items. He had not considered the quality of the goods, nor had he considered the fact that this manufacturer would be waiting just around the corner to undersell him to the retailer. All he could see was the little extra discount. I mention this because it is repeated so many times. I think it is clear that the jobber will have to change his attitude and his method of doing business, or make way for better methods in distribution.

In citing these experiences, I am trying to draw an accurate picture of the wholesaler's contribution to the demoralized state of distribution in our industry, and to indicate the cure. Something of the same condition is found in all distribution, and I am convinced that the wholesaler must supply the remedy for his own ills.

The fact is that my company is faced with the question as to whether we should cut out the wholesalers, like the majority of manufacturers in our line, or attempt again to make them realize their responsibility in the distribution of our goods. It is something of a dilemma, but we have decided to try again.

Under our newest policy, the wholesalers will meet our competition the same as they meet that of our competitors. The big difference will be that they will always know our prices, and they will only

have to meet prices that will show them a fair profit.

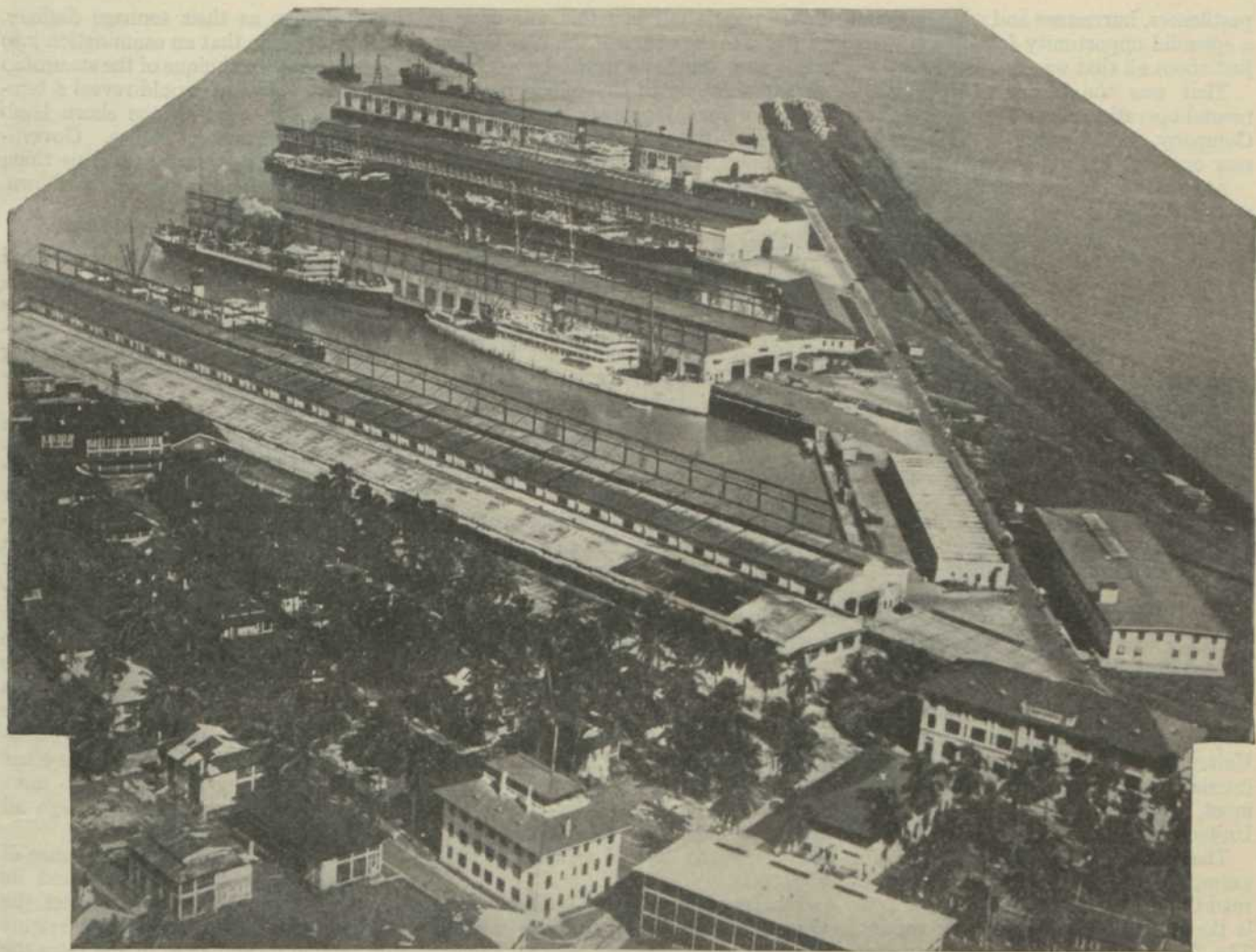
My company is competing with wholesalers solely for the purpose of spurring them on to the real merchandising of goods. By establishing resale prices, the prices which our salesmen quote, we hope to prove to the wholesalers that they can sell at these prices, and induce them to make a living profit.

This is the most interesting experiment  
(Continued on page 96)



"The contractor complained to our salesman that he had received other goods than ours"





Government control of these docks at Cristobal "leaves no margin for competition" by private ship lines

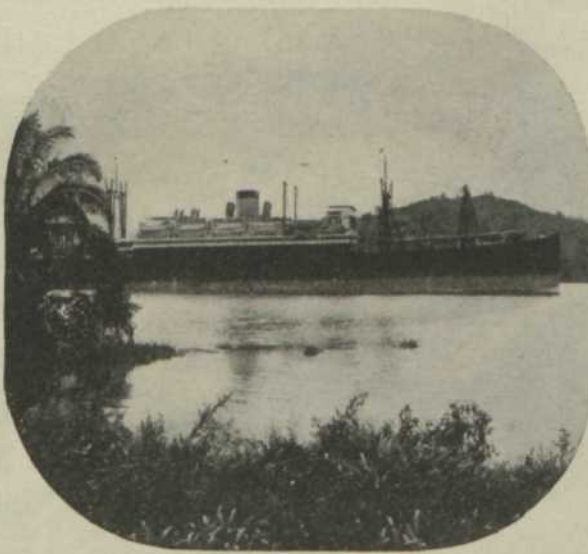
# Our Unfair Government

A case in the Canal Zone for some trade commission

By CHESTER LEASURE

**I**T STARTED in Theodore Roosevelt's time. When that forthright person—Congress assenting—took over the building of the Panama Canal as a project of the United States, the Government inherited a lot of appurtenances incidental to the main chore of canal digging. Among these were a railroad and a steamship line, along with a bevy of steam shovels and a few miles of ditch.

The Government took the railroad and the steamship line and used them during the canal digging—and still has them. Thereby hangs a tale of Government in business—originally a temporary expedient and for a limited, defi-



The Government's S. S. Hawkeye passing through Gatun Lake

nite purpose, but steadily encroaching, steadily expanding, steadily putting down roots of permanency—competing relentlessly with American private enterprise and in open and unblushing opposition to the spirit of a law of the United States, duly enacted by the Congress thereof. All in all, a perfect picture of bureaucracy in fine fettle.

Of course, during the canal building, the ships were highly essential. Food and folks, stenographers and steam shovels, capsules and congressmen—all had to be sent down as and when needed, because the Isthmus, with an ocean on each side of it, a liberal assortment of Caribbean



pestilences, hurricanes and what not, and a splendid opportunity for digging, were just about all that was there.

That was the beginning of governmental operation of the Panama Railway Company, which, with its subsidiaries, now operates the railroad and the ships.

At the outset of the business, it was the understanding that the steamship line should be operated solely as a canal tender because at the time there was no really dependable carrying service between the United States and the Isthmus. That it was so to be operated was emphasized by the Secretary of War, Mr. Taft, in his instructions to the operating officials of the Canal project.

Yet the steamship service, greatly expanded, is still in operation. It would have been expanded even more had not President Coolidge put his foot down hard on an ambitious project of officials of the Panama Railroad Company to have the Government build them more ships.

### Interlocking Executives

THE Panama Railroad Company is a corporation but all its stock, except a few qualifying shares issued to individuals to enable them to do business as the corporation's executives, is owned by the United States Government and is closely interlaced with the Canal Zone Government, a creation and an adjunct of the United States Government.

The governor of the Canal Zone, for example, is president of the Panama Railroad Company. The auditor of the Zone is the auditor of the railroad company. The Zone paymaster is the railway paymaster. The Zone chief quartermaster is chief of the railroad commissaries. And so on.

During the war—and as a war measure—the service of the steamship company was greatly expanded. Services were established between the Isthmian Zone and the West Indies—to Haiti in particular—and to the west coast of South America.

Canal people tell you this was done in response to the wishes of the War Department that the Zone might be assured a sufficient supply of Colombian beef cattle. The war is long over, but the service continues. It has been extended to other West Indian and South American ports. The cattle line to Colombia, for example, now reaches as far south as Guayaquil, Ecuador.

So the Government's steamship enterprise, originally authorized as a necessary feature of canal building, has grown, as such government enterprises usually grow, far out of its original bounds. These services, including an extensive transshipment trade originating in Mexico, Central and South America, are still continued, in part, by vessels which rarely carry a pound of strictly Canal cargo.

This entry into commercial shipping as a competitor with American flag shipping lines in South America is justified by Panama steamship officials because it affords a means of partly recouping the losses of the operation of its ships between the Isthmus and the United States.

During the building of the Canal and during the war the steamship venture made money. Since then it hasn't done so well.

This year the line is said to be showing a profit, but for the six years previous its total operating loss was \$2,180,310, an average yearly loss of something above \$300,000.

Figures of government business operations are always interesting. For example, the operating loss of the Panama steamships for the year 1927, as reported, is \$48,967.77. During that year the lines carried 53,252 tons less cargo than the year before. Yet the operating loss for the year is stated as less than that of the previous year.

This suggests that perhaps the way for the Panama ships to make a profit is not to carry any cargo at all, as it seems their

losses decline as their tonnage declines. And it might be that an examination into the accounting technique of the steamship and railway alliance would reveal a tempering of the wind to the shorn lamb through bookkeeping finesse. Government bookkeeping is a mysterious thing and by it almost anything can be shown.

### Bookkeeping Incomplete

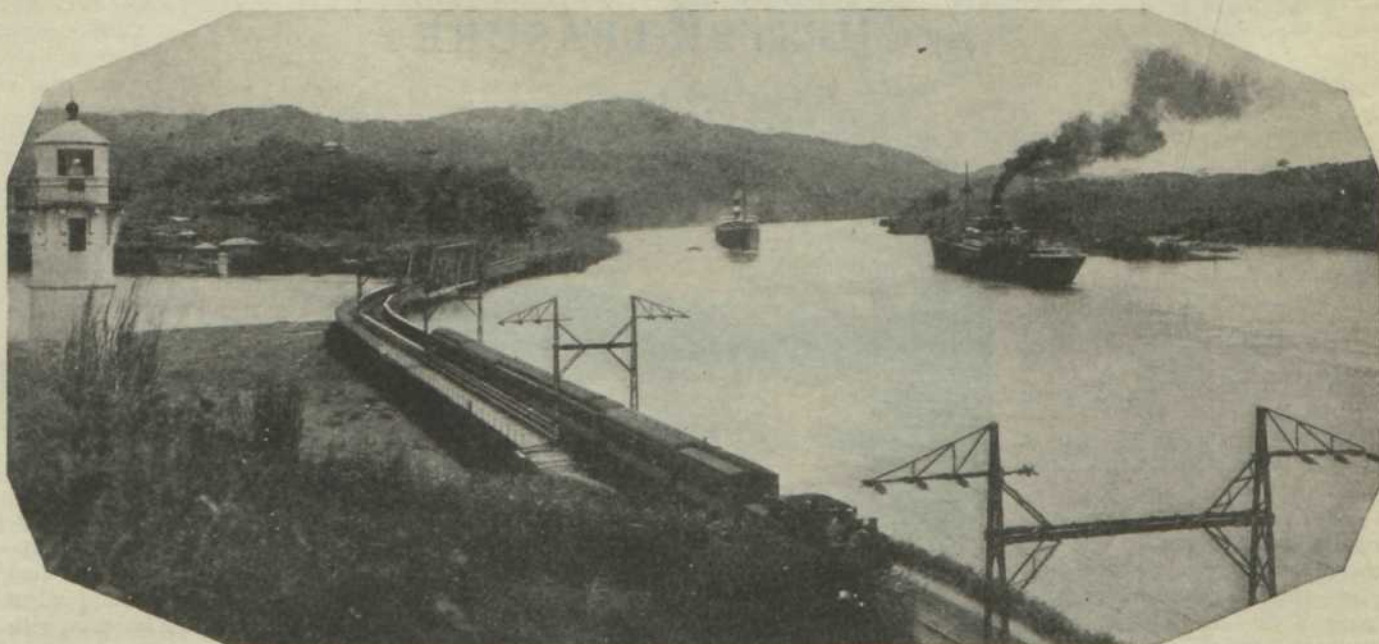
AND it is always to be kept in mind that the profit and loss computations of government business enterprises do not include payments for taxes, insurance or interest, which are always big items on the expense side of private ledgers.

There's a ready explanation for these losses in operations. This is the explanation—transportation rates charged by the Panama steamship enterprise for government cargo and government passengers are from 24 to 80 per cent less than the current competitive rates charged for like service by American and foreign flag ships plying those waters. This low rate policy was adopted in the early days of the steamship-railroad enterprise when the profits of the railroad were more than enough to wipe out the ship losses. Its continuance when railroad earnings cannot pay the shipping deficits forces other American shipping lines either to meet these loss-producing rates or forego all government carrying business.

The arguments for the continuance of the government steamship line and its low rate policy are that it enables the Government to save on its Canal freights and to send its employes to and from the Canal Zone at a lower cost than the prevailing ocean passenger tariffs, thus saving on government salaries and expense accounts. It is argued also that ships are always available for the Canal's needs.

Scarcity of available shipping service may have been a sound argument in the early days of the building of the Canal,

(Continued on page 150)



The Panama Railroad Company, with its subsidiaries, now operates both railroad and ships





# Cooperatives and Common Sense

Farm relief calls for more than action by Congress

By JAMES E. BOYLE

*Professor of Rural Economy, Cornell University*

Decorations by Louis Fancher

**B**OTH major political parties have made serious promises of farm relief. Cooperative marketing holds first place among the three or four major remedies promised. Since some types of cooperative marketing have been conspicuous successes, and some have been complete failures, we are justified in asking our lawmakers just what particular kind of cooperation they intend to promote with federal funds, for it is now a question of adding substantially to the already good-sized federal appropriations for promoting cooperation.

A few enthusiasts here and there are talking about "The New Cooperative Commonwealth." These eager souls see in cooperation a vision of a new heaven and a new earth. But cooperation is a business, not a religion. Men go into it for only one reason, higher net returns. It must meet severe business competition. That is one reason for the high mortality of cooperative enterprises.

## They Never Make Page One

**C**ALL the roll of successful cooperatives and see how many have survived ten years and over. The average business man or farmer can scarcely name a dozen. There are thousands of such successful cooperatives, but they have not

made first page news. Right here is where the danger comes in, namely, the likelihood that Congress will prefer to do the big spectacular thing.

The big spectacular type of cooperation, hastily formed and highly centralized, rarely survives ten years. The small, modest type, formed by farmers with little or no outside promotion, survives vicissitudes with great tenacity.

It will be worth while to consider briefly the two types of cooperation, the successful and the unsuccessful, as a guide in a farm-relief program. Where does cooperation succeed and why? Where does it fail and why? These are the big issues which must be frankly faced. The United States has made a success with cooperative insurance, cooperative credit, and cooperative marketing. We are now the leading cooperative country in the world, and can furnish answers from our own experience to these questions.

Cooperation has been used in the United States for well over 100 years, under all sorts of conditions, favorable and unfavorable.

It has had special laws, both federal and state, made in its favor. Up to recent years it has met with little or no organized opposition. Our experience has proven that certain principles of cooper-

ation are sound and deserve support, and that certain principles are unsound and will not work.

Cooperatives have failed where they have undertaken to guarantee cost of production plus a profit, where they have fixed prices under a temporary monopoly power, where they have been overpromoted, where they have been too highly centralized, where they have increased the cost of distribution, where they have been extravagantly managed, where they have increased the speculative risks of the business, and where they have violated the laws of farmer psychology or the principles of good business management.

## When the Movement Slipped

**U**NFORTUNATELY it is in the larger, newer, and more widely known cooperatives that these various violations of economic laws have most frequently occurred. The period from 1912 to 1926 may be taken as the one when the cooperative movement went backward rather than forward, and when, to a degree, it lost the confidence and respect held for it by the jobbing trade and the consumers of the country.

There has been too much mystery and claptrap in cooperation. There have been too many failures. There have been



too many attempts to do the impossible—to fix prices, to override the law of supply and demand, to ignore production, and to put a blind faith in legal contracts and the dogma of "orderly marketing." There has been too much reliance on the "legal compulsion" theory of marketing which became the mode with the passage of the "Standard Marketing Act" in most of the states. There has been too little regard for the economic and psychological factors in marketing.

### Prices and Production

**I**F the old saying is true that "failures prove the stepping stones to success," then we may take a cheerful view of these recent failures. To cite some examples, beginning with the guaranteeing of cost of production:

One large cooperative growers' concern did guarantee cost of production plus a profit. It had a substantial monopoly of the crop under control (80 to 90 per cent) and felt safe in naming in advance a guaranteed minimum price to the members.

But farmers, like any other producers, will substantially increase their output when they are guaranteed in advance a profitable price. Soon there was evident in the case of these growers the great basic limitation of all agricultural monopoly, namely, lack of control of production. A high price brought increase in production.

The sales managers then began to talk about a "surplus" above market demand. When the carryover of unsold product reached 100,000 tons, even the farmers began to see there was something wrong with production rather than with marketing. In 1925 some 10,000 cars of the product remained unharvested; in 1927 there were 15,000 carloads unharvested. The big crop of 1928 brought the suggestion from some mem-

bers that one-half of the crop be left in the field. This would have meant, if actually carried out, 50,000 carloads left to rot.

The growers' association went to pieces under the load of the big surplus called forth by prices which they themselves fixed for the first few years. The sales department of a cooperative or of any other business can not override the law of supply and demand.

Fixing prices by a cooperative may work for a time, particularly if the sales department does not attempt to charge more than the traffic will bear. But price fixing without control of production is a rope of sand. The abandonment by the British Government of rubber control and by the Cuban Government of sugar control illustrates the truth that even a government is powerless to maintain high prices for agricultural produce in the face of increasing production.

Overpromotion has been the cause of failure of many a cooperative. Education in favor of cooperation has for years been part of the program of the Federal Government and all the 48 State

of cooperation some 10 or 15 years ago, when they began to form state bureaus of markets. Soon about three-fourths of the states had such bureaus, many of which are now dead. But their record in the first flush of enthusiasm was impressive. Their goal was the organization of the greatest possible number of cooperatives among farmers in the shortest possible time, regardless of the amount of business in sight. Looking back over these records, I find one state market bureau director who reported formation of 83 cooperatives in two years; another who reported organization of 136 associations in one year.

During this period of overpromotion, the organization of new cooperatives was reduced to a definite formula something like this:

First, the big meeting with lots of oratory and no questions asked from the



agricultural colleges. In more recent years this education has been supplemented by propaganda from press and pulpit, by both selfish and unselfish interests. Like any other popular movement, it has been commercialized by those able and willing to cash in

on it. Add to these promotional influences the 500 farm papers, the 2,000 county agricultural agents, and the 25,000 country banks, all boosting cooperation, and you see what a tremendous pressure is brought to bear upon the farmer to organize.

State legislatures sensed the popularity

floor—cooperative evangelism of the religious, or old-fashioned camp meeting type.

Second, the sign-up campaign, during which good salesmen in expensive automobiles, working for liberal commissions, swiftly covered the allotted area. They were after quantity rather than quality. The more new members they signed up, the more their commission.

The third stage was marked by the appearance of the official organ, a journal issued at headquarters, containing cartoons and articles attacking the middlemen and heartening the members in their so-called battle against the hostile interests.

### The Wrong Way to Start

**I**N this period of overproduction there were quickly and enthusiastically formed gigantic pools in a number of basic agricultural commodities. When the enthusiasm cooled and the net returns became what Mr. Dooley called "nit returns," the majority of these big pools passed away. The camp-meeting method is the wrong way to start a new business.

Many cooperatives have been too highly centralized. An outstanding ex-





The first step in the organization of a new cooperative was the big meeting with lots of oratory—cooperative evangelism of the camp meeting type

ample of this type was formed at a time of rising prices, and it succeeded at first in spite of its faulty structure. The members elected a set of trustees known as the Voting Board, and this board with a seven-year tenure of office had complete and autocratic control. Here high prices stimulated surplus production; the carryover broke the organization. And here there were no local units whatever, but simply the one big central.

In planning a new organization out of the wreck of the old, the chairman of the Voting Board reached this conclusion, economically and psychologically sound: "I firmly believe that a district and local unit system will best suit the farmer's needs. Such a system would be the means of bringing the grower more closely in touch with the problems that confront the industry, and would make the grower interested in the organization's affairs through the feeling that he himself has a hand in those affairs."

#### Cannot Hope To Survive

THE cooperative which increases the cost of distribution cannot hope to survive. One I have in mind began business in the face of a big crop. The non-members who sold their product at harvest time received 35 cents a bushel cash. Those in the pool waited till the "orderly

marketing" program was carried out a few months later and received ten cents a bushel. This is an extreme case, but serves to illustrate the fact that there is no peculiar virtue or power in a cooperative that will hold prices up by withholding from the market.

Many cooperatives have actually increased the speculative risks of the business, although speculation is one thing always condemned by the organizers. One large pool, with more than 100,000 members, in carrying out its theory of "orderly marketing," withheld part of the crop from markets for four years. It then sold several million dollars' worth at a much lower price than had been prevailing four years before.

Another pool practised "orderly marketing" as it construed the term by marketing the crop in seven equal monthly installments. This brought the last sales into competition with the new crop and so proved to be, in fact, disorderly marketing. Some of the early pools withheld their product from the market anticipating a rise. The market went down. The speculative loss was passed on to the farmer.

A pool which withholds a crop is sure to make money on a rising market. This pleases the farmer, yet he soon forgets it.

But a pool is sure to lose money on a falling market, and this is what the farmer neither forgives nor forgets. This explains the death of such a large number of pools. Statistics prove furthermore that the farmer who markets his wheat direct from the thresher, or his cotton direct from the gin is on the average better off than the farmer who holds.

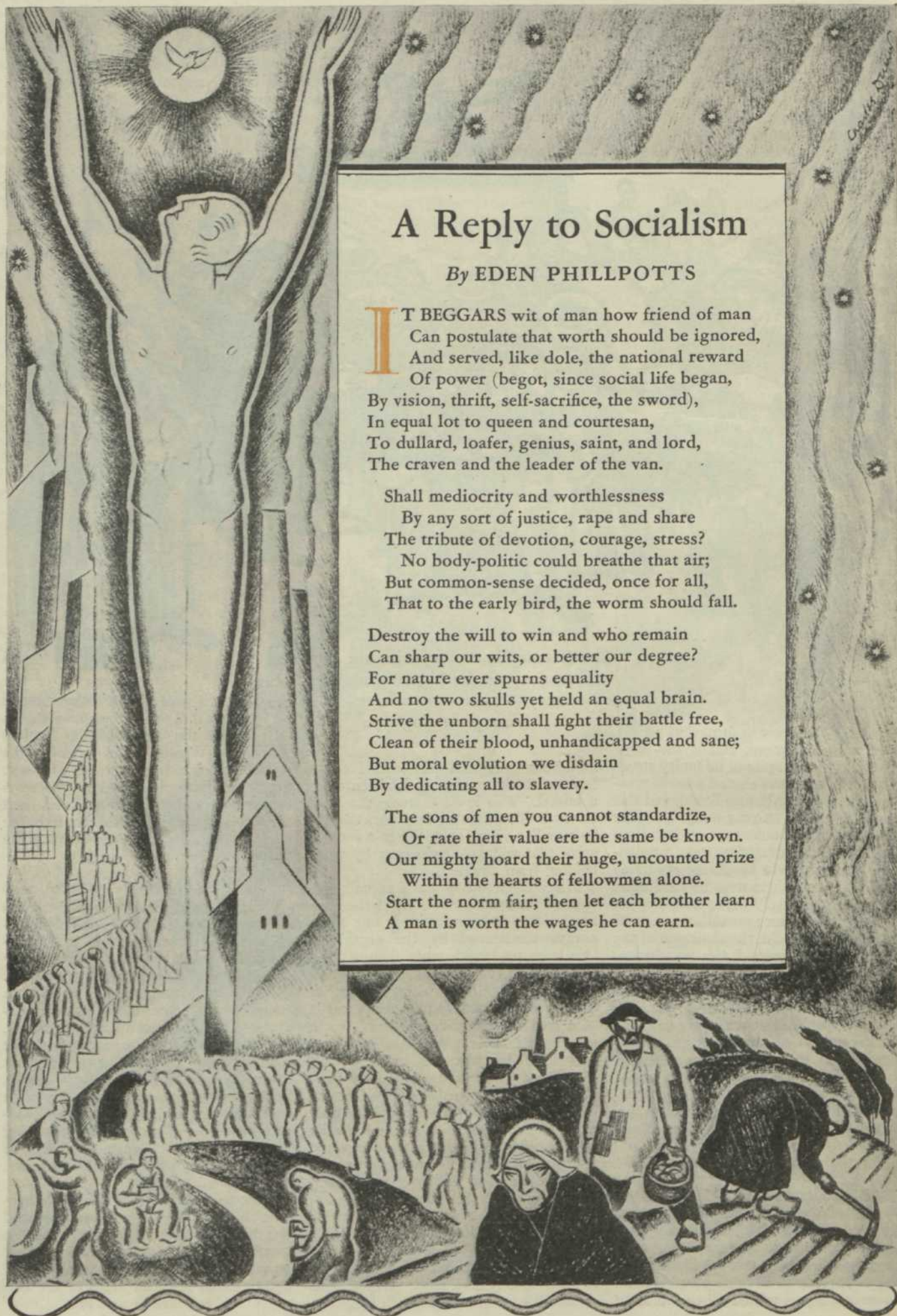
#### Compulsion vs. Service

A FINAL weakness of our cooperatives in the last 10 or 15 years is their reliance on the contract to compel the patronage or loyalty of the members. Loyalty should depend on superior service alone. On this basis the regular middleman competes and survives, if he ever survives. It is the survival of the fittest. Why depend on a legal compulsion rather than service? In practice, the contract has not guaranteed volume of business. In the case of three giant pools, the more contracts they had the less of the product they got. Farmers were deserting the sinking ship. Contracts should be regarded merely as important details, not as essentials.

Turn now to the other side of the picture. Where have cooperatives succeeded and why? Few people seem to realize that the biggest successes have occurred, as a general rule, with the smaller local units. Some few exceptions to the rule

(Continued on page 106)





## A Reply to Socialism

By EDEN PHILLPOTTS

**I**T BEGGARS wit of man how friend of man  
Can postulate that worth should be ignored,  
And served, like dole, the national reward  
Of power (begot, since social life began,  
By vision, thrift, self-sacrifice, the sword),  
In equal lot to queen and courtesan,  
To dullard, loafer, genius, saint, and lord,  
The craven and the leader of the van.

Shall mediocrity and worthlessness  
By any sort of justice, rape and share  
The tribute of devotion, courage, stress?  
No body-politic could breathe that air;  
But common-sense decided, once for all,  
That to the early bird, the worm should fall.

Destroy the will to win and who remain  
Can sharp our wits, or better our degree?  
For nature ever spurns equality  
And no two skulls yet held an equal brain.  
Strive the unborn shall fight their battle free,  
Clean of their blood, unhandicapped and sane;  
But moral evolution we disdain  
By dedicating all to slavery.

The sons of men you cannot standardize,  
Or rate their value ere the same be known.  
Our mighty hoard their huge, uncounted prize  
Within the hearts of fellowmen alone.  
Start the norm fair; then let each brother learn  
A man is worth the wages he can earn.





This old Bennett aquatint shows New York's Fly Market and the Williams warehouse in 1827

# A Century-Old Firm Keeps Fit

By ARTHUR P. WILLIAMS

*President, R. C. Williams & Co., Inc., New York*

*In an interview with Edwin C. Hill*

**"IMAGINATION and Hard Work."**  
Here is a book written in a four-word sentence—a whole business philosophy packed into the neatest of containers.

For 117 years it has been the motto and the living, guiding principle of one of the largest and most successful wholesale houses in America. And today this house wouldn't change a vowel or a consonant of those four words for a million dollars in cash.

Indeed, the motto has been the firm's philosopher's stone, transmuting possibilities of failure into certainties of success—adversity into prosperity. In good times and bad, through the economic fluctuations of more than a century, it has been the white magic turning red deficit into black profit.

To business men of every class and degree, and especially to the firm's wholesaling brethren who may be troubled by the spread of the chain-store systems and other alarming sources of competition, or harassed by still other fears, they present the specific which has never failed.

This house of wholesalers began to distribute food products in those dim, quaint days when the Hon. De Witt Clinton was mayor of a New York City with only 17,500 names in its directory, when everything north of Canal Street was farmland, when there were only two banks



BLANK & STOLLER, N. Y.

"Imagination and hard work can lift a wholesale firm by its boot straps"

and everybody traveled by stagecoach, saddle horse, or carriage. Today the house sets—a massive block of steel and concrete—in the center of the wholesale grocery district, near the North River, surrounded by the sky-clutching towers and pyramids of a metropolis of 7,000,000. It was moved by easy transitions from the old Fly Market at Fulton and South Streets. As it moved it took with it, as its most precious possession, its guiding principle, its philosopher's stone, "Imagination and Hard Work."

## In Every Part of the World

AT the president's desk of this business which has marched arm in arm with Father Knickerbocker up the long trail of 117 years, sits a man, youthful appearing for all his 52 years, who has something extremely interesting to say about the present and future of American wholesalers. He is the head of the firm of R. C. Williams & Co., importers, exporters, and manufacturers of food products, a concern which is known the world over. For, indeed, its agents and buyers are found in every food-producing part of the world.

Upon the shelves and counters of the room where this man sits are glittering jars and tins of vegetables from Maine to Michigan; fruits from California, New Jersey, and New York; salmon from the Columbia River; tea from Formosa and



Ceylon; spices from the Orient; macaroni from France; marmalade from Scotland; olives from Spain. Were there a Keats to rhyme the romance of this accumulation, as once a Keats was thrilled by the jars in an apothecary's shop, you would have something of the glow and scent—of the essential poetry—of a business such as this.

The head of it all today is Arthur P. Williams, a direct descendant of the fine old gentleman of early New York who founded the House of Williams in the Fly Market and who sometimes walked along Broadway in his high stock and frilly ruffles, gold-headed cane in hand, with Clinton and other notables of the day. Always there has been a Williams in the firm, and usually a Williams as its chief.

The Williams of 1929 is a short, compact, vigorous man, dark and smooth-shaven, with keen brown eyes and a quick, keen mind behind them. Although he is the very center of a web of business which covers the earth, he moves tranquilly, with no semblance of bustle or haste.

His desk is out in the open of a vast office, part counting room and part display room, and as this writer awaits his interview, department heads appear briefly at the presidential desk, consult the chief upon this matter or that (in one instance a detail involving the expenditure of \$100,000 in a certain product), receive half a dozen words of suggestion or reminder, and depart as smoothly and as unostentatiously as they arrive. This appears to be the way the House of Williams conducts its affairs. Smoothly, speedily, politely.

### He Keeps the Personal Touch

**P**RESENTLY Mr. Williams swings his chair around and invites his visitor nearer. The talk turns upon his own origin and experience as a proper background for his business views and philosophy. There is one interruption. An important customer has come in to see Mr. Williams personally regarding the nature and saleability of one of the firm's food products. The president excuses himself, takes the important customer to a nearby shelf, opens three tins and a jar with an experienced twist of the wrist, invites the customer to taste and smell, and in a dozen words closes a transaction of some thousands of dollars. Returning, he picks up the talk where it dropped.

"I like to do that sort of thing myself," says Arthur P. Williams, "and I think some of the old customers like it. You see, I know every detail of our business. There isn't anything that one of our buyers, packers, or shippers does that I couldn't do myself, having been thoroughly trained through the various departments. In fact, the tradition of the food products business has always been so strong in our family that I was eager to get into it before I was out of short trousers.

"I went through high school, but after that they couldn't hold me. Business was more to me than going to college and I can't say that I regret my choice.

"I was 16 when I went to work for R. C. Williams & Co., as mail boy. Then they elevated me from that \$3 a week job to sample boy, sending me to the docks to plug barrels of molasses and bore holes in barrels of sugar to get samples of their quality. In those days, back in 1892, the food products business was done mostly in bulk—great, heavy boxes and bales and barrels. Now the bulky containers have almost ceased to exist. Packages and containers have become smaller and smaller. This year we are down to eight-ounce containers generally.

"The reason for this is simple—smaller families and a change in methods of living. Big houses, large families, and great domestic establishments have almost disappeared.

"People live in small apartments. They have no space for bulky things.

"I kept plugging along until finally they made me a department manager. Then I began to buy for the principal departments. I went through all the departments one after the other, and in 1923, when a corporation was formed from the old partnership, I became president.

### His Prescription for Success

**I** MENTION these various steps to make clear that I know what I am talking about when I say that the principle of imagination and hard work can lift any wholesale firm by its own boot straps out of any difficulty. I have seen the principle work effectively even in time of panic and business depression. Imagination pointed the way to security and salvation. Hard work did the rest.

"There has been talk about the menace

## Business Men You Have Read About



### A WINNER

After inheriting a competence of forty-odd million, W. H. Vanderbilt, of Portsmouth, R. I., went to work. He runs a large and successful bus line. Plunging into politics, he was recently elected state senator



### YOUNG CHEMIST

Miss Helen Kiely is busy controlling the elements in her capacity as chief of the chemical department of a Holyoke, Mass., paper mill. Sixteen assistants work with her. As a side line, she lectures to paper men



### GOVERNOR

George L. Harrison is named to take over the reins of the New York Federal Reserve Bank, succeeding the late Governor Benjamin Strong. Mr. Harrison, a lawyer, has been with the Reserve Board since it began in 1914



### RICH; HELPS

First shoes at 14. At 27 he learned to read. Soon he made a fortune out of lumber and real estate. Now he is working to improve "poor white" youths of the South. He is Samuel R. Hurley, philanthropist of Grundy, Va.



### LEAD LEADER

Clinton H. Crane, of New York, president of the St. Joseph Lead Co., is chosen to head the newly formed Lead Industries Association. It includes lead mining, smelting, and manufacturing firms in North and South America



### HIS PLAN

W. T. Foster is of the well known team of Foster and Catchings, who study economics and produce best sellers. He's from Newton, Mass., and rumor hath it that he suggested the reserve fund idea to the President-elect



of chain stores to the wholesaler, and apprehension has been expressed about the future of the wholesaler. That the chain-store systems have made a difference here and there is indisputable, but again the old formula which has carried R. C. Williams & Co. along for 117 years can be depended upon. In 1892, the year I came into the business, this firm supplied groceries to the first of the chain-store systems of New York, the Atlantic & Pacific chain.

"We have continued to supply chains with a great deal of their supplies since. But in 1923, when the chains had grown and spread, we saw that they had begun to affect the retail groceries distribution, so we looked around for another field of distribution. We noted that the hotel, restaurant, and lunch counter business was growing by leaps and bounds. We put

our imagination to work and visioned a great opportunity for R. C. Williams & Co. in this new field.

### This Blessing Came Disguised

"WE opened new departments to take advantage of it. We engaged special salesmen with hotel and restaurant training. We educated a force of specialists in the knowledge of the requirements of hotels, restaurants, and lunch counters. We took in with us men who could go into a hotel or restaurant kitchen and cook as good a meal as the chef could turn out, and men who knew all there was to know about the steward's work. That was imagination, certainly, and we followed it up with tons of hard work to develop the new field.

"On top of that we thought we saw possibilities in the steamship business,

and our imagination told us that what the buyers of food products for the steamship companies wanted was better service than they had been able to get from the old-fashioned chandlers. We set ourselves to give it to them and built up a business there of four and a half millions a year. Before the chain stores became a problem we did nothing in that line. In one sense, therefore, the coming of the chain-store systems was a blessing. They forced us to think—to use our imagination—and to sally out to conquer new fields.

"Now as regards the chain stores and their relationship to wholesalers. In my judgment there is nothing whatever for the alert, energetic wholesaler to get panicky about. The wholesaler who will adapt himself to new conditions and who will apply modern methods in his distribution will positively find a place and maintain his business, but it will be necessary for him to make certain that his district is economically sound and that he is not wasting his money and time in an unprofitable territory. He must be certain, down to the last decimal point, of his cost of doing business, so that he can consistently maintain a margin of profit.

"The wholesaler is not in trouble. Far from it. He has a satisfactory present and faces a promising future—if and where, he is on his toes and studies the conditions of the actual world he is trying to do business in—not the world of a decade or 20 years ago. Our house did the biggest business in October of 1928 that we ever did in any one month in our history with the single exception of one month during the war when prices were double what they are today.

"Maybe I will surprise you when I tell you that, despite the chain stores, there are more independent retailers doing business today than there were 15 years ago—more such customers for us wholesalers. There will always be a place in the market for the independent with personality—with imagination backed by hard work—to conduct a profitable retail grocery store.

### Williams' Nine Commandments

"MANY former managers of chain stores are today opening independent stores of their own after educating themselves in the methods of the chains. These erstwhile chain-store managers are finding that they can net from \$60 to \$100 a week, which is more than they could earn as chain-store managers.

"You ask me to suggest a series of rules or principles, rather, for the guidance of wholesalers. I am not adept at giving advice, but I can review the principles upon which R. C. Williams & Co. have achieved solid success. Let me list them this way:

"1. Imagination and hard work. All the other principles could be included in this. Imagination, as applied to the business man, envisions the intelligent survey of the world he lives in. It means a study of human nature. It means courtesy, tact, perfection of service, and the

(Continued on page 140)

## In the Passing News of the Month



### HE'S ELECTED

E. T. Tomlinson had been an advertising man prior to joining the Doremus organization in New York. Now he is president, succeeding the late C. W. Barron, who organized the company more than 25 years ago



### SHOE LADY

The "Shoe Lady of Massachusetts" is Mrs. Laura Kimball, of Hudson. Now she opens a retail branch there, but will continue her factory work, which includes bossing a force of more than 400. She has two children



### RESEARCHER

Glenn H. Curtiss, noted aviation pioneer, will head an aeronautics research laboratory at Hammondsport, N. Y., according to recent reports. Several millions of dollars for a starting fund have already been collected



### NEW JOB

William R. Dawes, Chicago banker, is president of the Chicago Association of Commerce; recently he was made president of the Mississippi Valley Association. He is a cousin to Vice President Charles M. Dawes



### MASTER BUILDER

O. H. Ammann built the Quebec Bridge—the one which stayed put. Now he is building the New York Hudson River Bridge and the Kill van Kull Bridge to Bayonne, N. J. He works for the City of New York

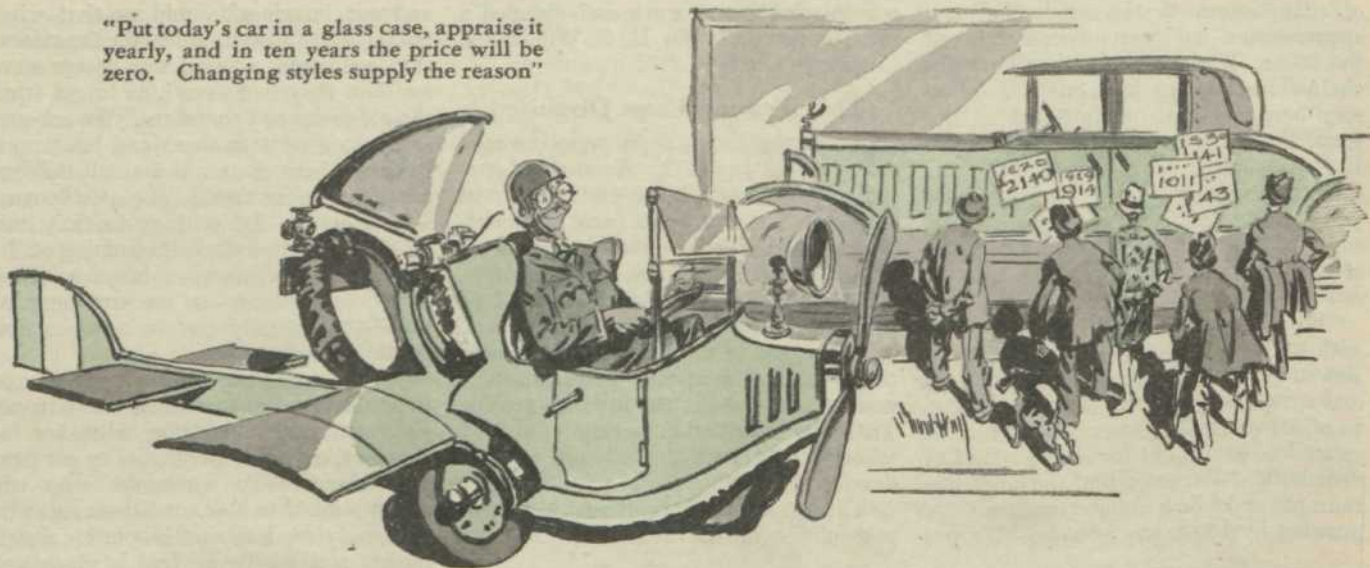


### NO QUACKERY

Manufacturers are too often lusciously susceptible to quackery in curing trade evils, Pres. J. E. Edgerton of New York tells his National Association of Manufacturers. He's for brains, work, and "old-line" trade bodies



"Put today's car in a glass case, appraise it yearly, and in ten years the price will be zero. Changing styles supply the reason"



# Keep the Consumer Dissatisfied

By CHARLES F. KETTERING

*General Director, General Motors Research Laboratories*

Cartoons by Stuart Hay

**N**OT LONG ago one of the great bankers of the country said to me:

"The trouble with you fellows is that you are all the time changing automobiles and depreciating old cars, and you are doing it at a time when people have three or four payments to make on the cars they already have.

"Yesterday I got an engraved invitation from one of your companies to see a new model. Out of curiosity I went. I darn near bought one. I didn't because you people wouldn't allow me enough money for my old car."

A few weeks later I was again talking with this banker. He appeared to be greatly disgruntled.

"I bought that new model," he barked. "But it was a rotten shame that I had to accept so much depreciation on my old car. You are the fellow who is to blame. You, with all your changes and refinements, made me dissatisfied with the old model."

He paused, then added, mournfully, "And that old car ran like new."

I told him I thought it was worth what he paid—that is, the difference between the old and the new model—to have his mind changed.

He didn't argue over that but he did say something to the general effect that "the only reason for research is to keep your customers reasonably dissatisfied with what they already have."



"Those ideas are coming from the younger generation"

I might observe, here and now, that he was right.

A few weeks back I was sitting with a group of executives. All were admiring a new model.

"It is absolutely the best automobile that can be made," enthused one. I objected to that statement.

"Let's take this automobile which, you say, is the 'best that can be made' and put it into a glass showcase," I said. "Let's put it in there—seal it so no person can possibly touch it. Just before we seal it in the case let us mark the price in big letters inside the case.

## Depreciates Without Use

"LET us do that and come back here a year from today. After looking at it and appraising it, we will mark a price on the outside of the glass. It will be a price something less than what we think the car is worth today. Probably \$200 less. Then, let's come back once every year for ten years, look through the glass, and

mark a new price. At the end of ten years we won't be able to put down enough ciphers to indicate what we think of the car. That is, of course, eliminating its value as junk.

"In those ten years, no one could possibly have touched the car. There could be no lessened value through handling. The paint would be just as good as new; the crank case just as good; the rear axle just as good; and the motor just

as good as ever.

"What, then, has happened to this car?

"People's minds will have been changed; improvements will have come in other cars; new styles will have come. What you have here today, a car that you call 'the best that can be made,' will then be useless. So it isn't the best that can be made. It may be the best you have made and, if that is what you meant, I have no quarrel with what you said."

Another prominent banker once said to me:

"You research people are always disrupting things. You cause us more trouble than any other group. I, as a banker, will make a loan to a firm and am apt to discover, in a few days, that you fellows have put this concern out of business. All because your research methods have found different ways for doing things. Perhaps they are better ways, but what of it? The old ways were satisfactory.

This banker was thoughtless.

Prosperity has nothing to do with dol-







# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's

**W**HILE normally a minor month in the scheme of things commercial and industrial, November this year wrote itself down as a more than normally active period in industry and as a fairly good month in trade, setting up surprising new records in speculation, with daily and monthly sales of stocks which may not be equalled for years to come.

## A Quintet of Features

**F**OR one thing the November weather was rather more favorable to trade in Fall and Winter goods than was October's, though perhaps not quite so good as was September's. Colder weather, the passing of election, the continued boom in the stock market, the marked steadiness of wheat and a sharp rally in cotton with very large exports of the latter and over and beyond all else, the early and heavy buying of holiday goods were a quintet of features making for what ultimately proved a really lively month.

In industry, of course, the trend was toward a seasonal reduction in activity, this being most marked in the automobile, tire, steel and kindred metal trades. But because comparisons are with an unusually receding trend a year ago the quotas of gain in most cases equalled and in some cases exceeded the gains noted in October, which was a very heavy month in production.

In seeking some of the natural reasons for the more cheerful trend of reports as to trade buying in areas in which crops are an influencing factor, perhaps an undue stress has been laid on lower prices of farm products while less attention has been given to larger yields. Thus prices of wheat and corn, the futures more particularly, of potatoes, cotton and some other important yields have been lower but on the other hand the combined yield of the seven leading cereals, wheat, corn, oats, barley, rye, buckwheat and rice was 9.4 per cent above 1927 and only 3.3 per cent below the peak of the war year 1915.

The yield of grapes, an important money crop these days, was a high record one. The latest estimate of the cotton yield is 11 per cent above that of 1927, with the price for that crop alter-

nately lower and higher than last year.

Practically all available measures of industrial production in November, as in October, show increases over a year ago. Bituminous and anthracite coal mined, pig iron and steel ingot outputs, automobile tire and auto accessories turned out,

of Labor for October showed a gain in total factory employment, most of the increases were in a few lines. Thus some eight great groups, including textiles, food, leather, paper, stone, clay, glass and tobacco reported less employment than a year ago while four, including vehicles, mainly automobiles, iron and steel and their manufactures, namely machinery, chemicals and nonferrous metals, showed gains.

Export trade in domestic products of manufacture took a marked step forward in October when automobiles shipped, this including parts, totalled \$50,000,000. Indeed the entire gain for the year may be said to have been caused by increases in automobiles, agricultural implements and machinery. Some 73 per cent of the country's exports for the year, according to the Foreign Trade Council, were accounted for by wholly or partially manufactured products.

## Cotton Is Still King

**I**N our foreign trade raw cotton still holds first place, with automobiles second, while in imports raw silk is our most valuable single import. Grains and their products exported, more especially wheat and wheat flour, were the smallest in three years.

Failure reports come in for rather more attention of late because while the November total fell 5.5 per cent below a year ago, the total for the year was about 1.2 per cent ahead of 1927 and the largest since the high record year 1922. Estimating the December, 1928, failures and liabilities as equal to those of a year ago, the following totals of failures and liabilities in two eight year periods, 1913 to 1920 and 1921 to 1928 are obtained:

In 1913-20, number 103,189; liabilities, \$1,955,000,000; 1921-28, number 160,941; liabilities, \$5,038,000,000.

The noteworthy features in recent months have been the increases in failures in the eastern third of the country, balanced by decreases in the states west of the Alleghenies and the reappearance of bank failures in considerable numbers, mainly in the Southeast and in some states of the Northwest.

In ordinary trade lines November showed gains in chain-store sales of 18.5

## BUSINESS INDICATORS

Latest month of 1928 and the same month of 1927 and 1926 compared with the same month of 1925

	Latest Month Available	1928	1927	1926	1925 = 100%
<b>Production and Mill Consumption</b>					
Pig Iron.....	November	109	88	107	
Steel Ingots.....	November	105	77	91	
Copper—Mine (U.S.).....	November	127	101	111	
Zinc—Primary.....	November	99	97	109	
Coal—Bituminous.....	November*	90	77	113	
Petroleum.....	November*	117	119	113	
Electrical Energy.....	October	133	119	113	
Cotton Consumption.....	November	108	110	103	
Automobiles.....	November*	64	34	66	
Rubber Tires.....	September	141	96	114	
Cement—Portland.....	November	110	106	104	
<b>Construction</b>					
Contracts Awarded—36 States—Dollar Values.....	November	93	91	98	
Contracts Awarded—36 States—Square Feet.....	November	87	82	84	
<b>Labor</b>					
Factory Employment (U.S.)—F.R.B.....	October	95	95	99	
Factory Pay Roll (U.S.)—F.R.B.....	October	98	94	101	
Wages—Per Capita (N.Y.).....	October	104	103	103	
<b>Transportation</b>					
Freight Car Loadings.....	November*	101	92	103	
Gross Operating Revenues.....	October	104	98	103	
Net Operating Income.....	October	121	97	106	
<b>Trade—Domestic</b>					
Bank Debts—New York City.....	November*	173	123	95	
Bank Debts—Outside.....	November*	127	112	101	
Business Failures—Number.....	November	110	111	109	
Business Failures—Liabilities.....	November	113	101	91	
Department Store Sales—F.R.B.....	November*	107	107	106	
Five and Ten Cent Store Sales—4 Chains.....	November	127	120	112	
Mail Order House Sales—2 Houses.....	November	136	115	107	
Wholesale Trade F.R.B.....	October	90	85	90	
<b>Trade—Foreign</b>					
Exports.....	October	113	100	93	
Imports.....	October	95	95	101	
<b>Finance</b>					
Stock Prices—30 Industrials.....	November	178	125	100	
Stock Prices—20 Railroads.....	November	140	131	112	
Number of Shares Traded in.....	November	228	96	61	
Bond Prices—40 Bonds.....	November	105	107	103	
Value of Bonds Sold.....	November	92	116	120	
New Corporate Capital Issues—(Domestic).....	November	79	220	108	
Interest Rates—Commercial Paper, 4-6 Months.....	November	123	90	101	
<b>Wholesale Prices</b>					
U. S. Bureau of Labor Statistics.....	October	94	94	95	
Bradstreet's.....	November	91	94	89	
Dun's.....	November	98	97	95	
<b>Retail Purchasing Power, July 1914 = 100</b>					
Purchasing Power of the Retail Dollar.....		61	61	60	
Purchasing Power of the Clothing Dollar.....		58	59	58	
Purchasing Power of the Food Dollar.....		64	64	63	
Purchasing Power of the Rent Dollar.....		62	60	58	

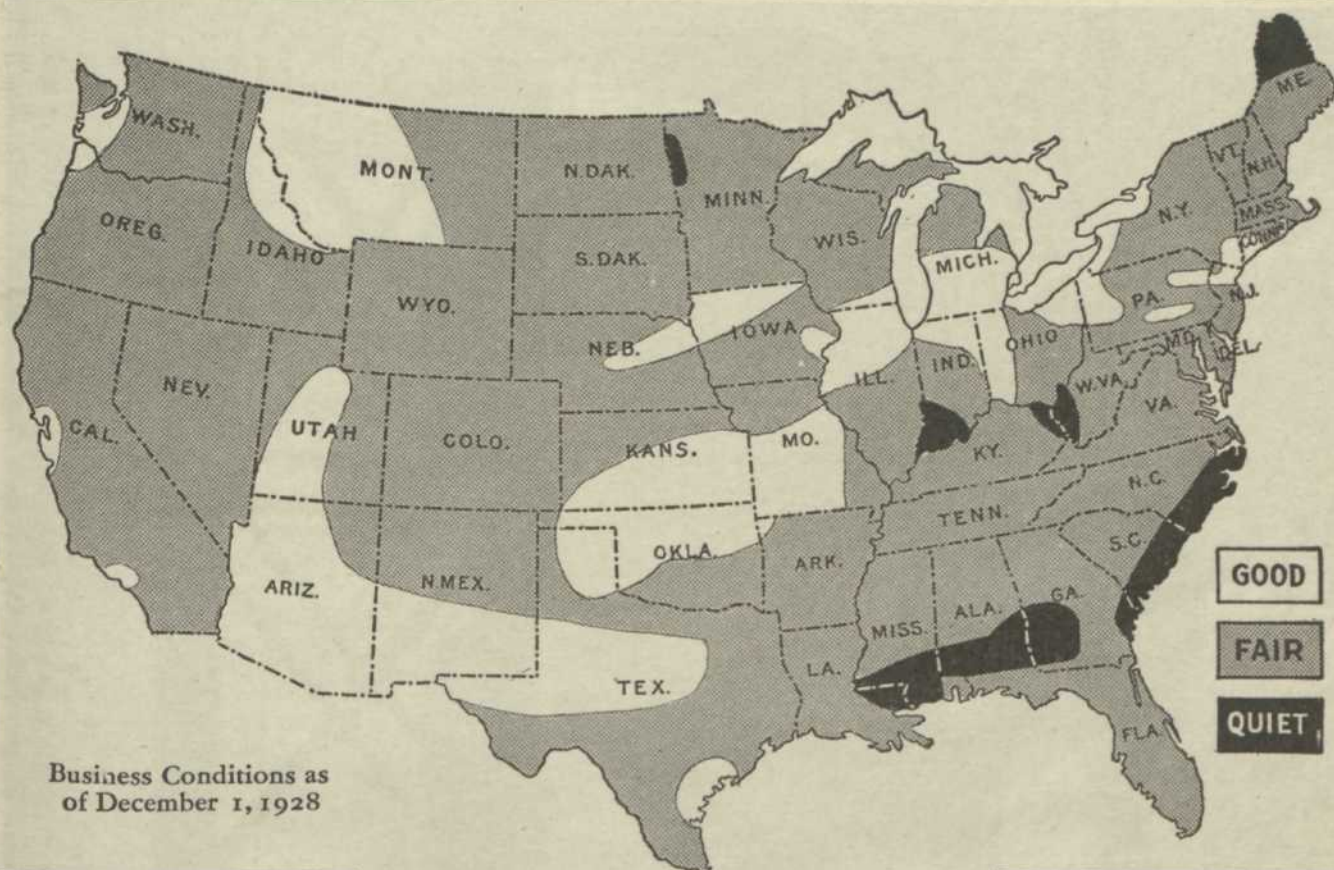
(\* Preliminary.)

Prepared for Nation's Business by the Statistical Dept., Western Electric Co., Inc.

raw silk takings by mills, and cotton and wool consumption by manufacturers show expansion over a year ago. Moreover it seems certain that a majority of other lines, such as crude petroleum, gasoline, cement, cigaret and cigar, and electric power, outputs of which gained heavily in October, will show correspondingly large gains for November.

Conspicuous exceptions are in permits for building which, while gaining slightly in October, fell off heavily in November. While the general index of employment as made up by the Bureau of Labor Statistics of the United States Department



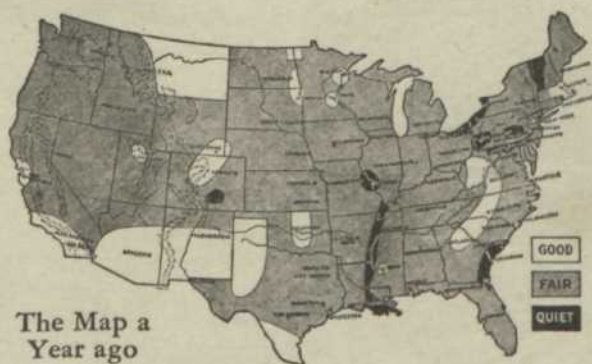


per cent, in mail-order sales of 20 per cent and in chain and mail-order sales combined of 19 per cent. At department stores, sales fell off three-tenths of one per cent as compared with a year ago. Wholesale trade in October showed a gain of 4.6 per cent, the fourth month out of ten this year to show such a trend.

#### Vitiate the Gains

AS to the big preponderance of gains in chain and mail-order sales over a year ago and the slight fraction of one per cent decrease in department store sales, two things may be said. One is that constant additions of new stores, both in chain and mail-order lines, tend to vitiate the percentages of gain of these two lines. In other words, the gains in sales of stores existing a year ago and now probably would not show such heavy increases. The other is that the department store sale comparisons are exact for this year and last.

November saw a more or less steadily rising trend in call money rates, but a tendency of time loans on collateral to ease off. Early in December, call money reached 12 per cent and time money on collateral hardened again. The high money rates were apparently



FIVE features joined to make November a month of above-normal activity for trade and industry. Colder weather, the close of election, soaring stocks, cotton's rally and wheat's firm tone, and most important of all the early holiday buying brought about the encouraging conditions.

Nearly all measures of industrial production save building permits showed gains

chiefly instrumental in cooling the stock market's speculative fever and were a factor in bringing about the big breaks of December 6, 7 and 8 which cancelled about all the rise the market made in November.

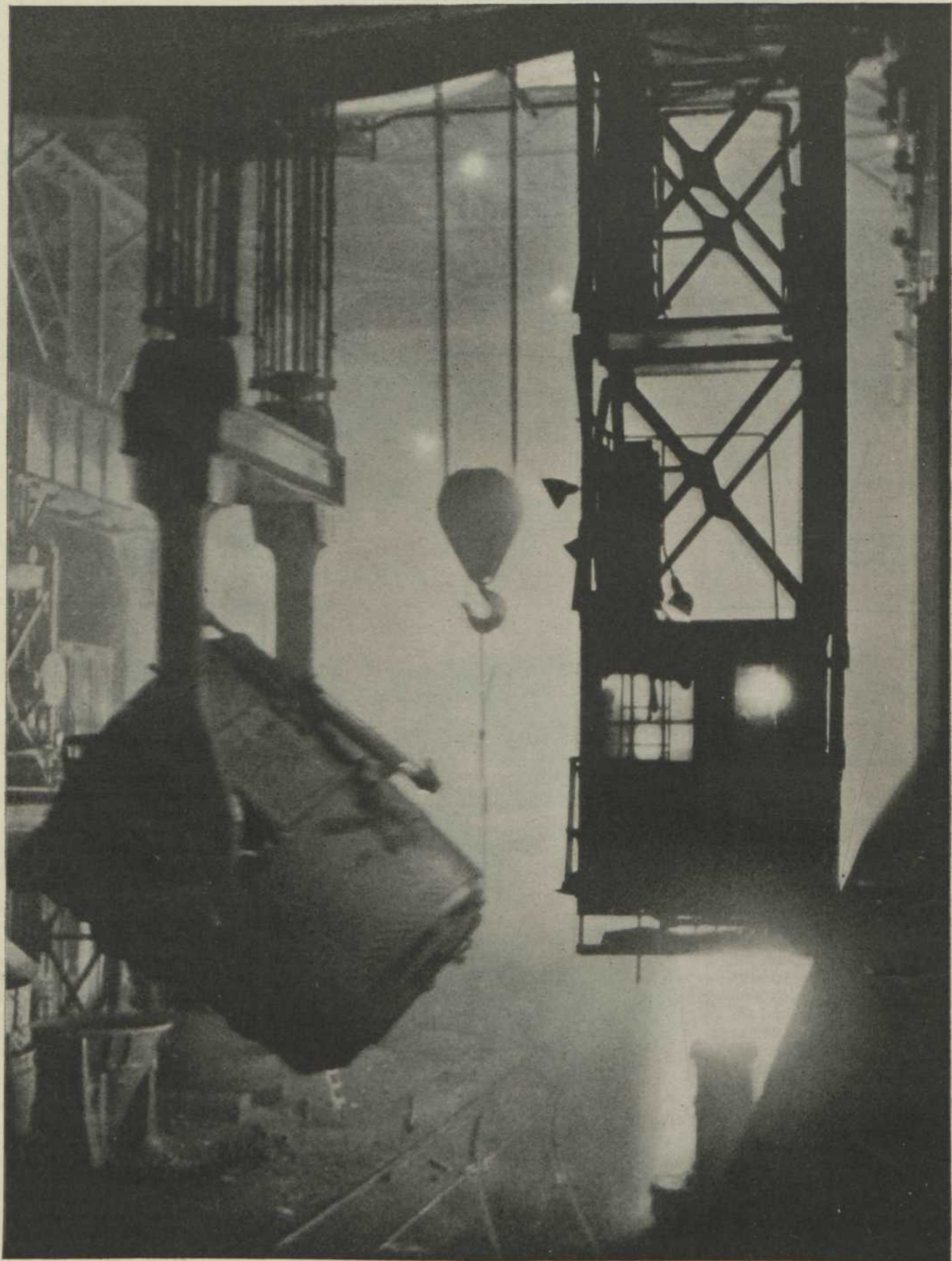
The advance in money rates might be considered with the fact that building permitted for in November has dropped 11 per cent from November a year ago. Moreover, issues of new securities for that month were recorded as only one-third of those of October whereas for the eleven months of the year the total issues was 12.9 per cent ahead of 1927.

#### Loadings Statistics

IF car loadings statistics are a measure of trade and industrial movement it is worth noting that they peaked for 1928 in the last week of September.

November showed a recession of 9.7 per cent from October, but owing to the subsidence in rail traffic a year ago the gain for November over a year ago is 11 per cent as against a gain of 5.3 per cent in October. In the latter month the gross railway earnings gained 6.3 per cent, while net operating income gained 24.1 per cent over October a year ago.





OPEN HEARTH, OTIS STEEL COMPANY—PHOTO BY MARGARET BOURKE-WHITE, CLEVELAND

**"Tremendous progress has been made since the pioneer days of steel manufacturing. Per capita output has shown a steady increase. This development has been obtained by use of semiautomatic rather than automatic machinery"**



# Produce—but Be Ready to Change

By E. J. KULAS

President, Otis Steel Company

**W**HEN a large automobile manufacturer discontinued the production of his standard model motor car recently, a great many academic economists with no actual experience in business jumped to the conclusion that this action marked the beginning of the end of mass production.

It was argued that the demand for something new had reached a point where articles exactly alike could no longer be sold in quantities sufficient to justify the expense of the vast, highly synchronized industrial units required to turn them out.

Some theorists went even farther astray. One group took the stand that the tendency toward the application of machinery to an ever growing variety of industries had been checked.

Another prophesied that the industries which had made the greatest use of mass production methods soon would be compelled to scrap the underlying principle along with the equipment which had been out-dated.

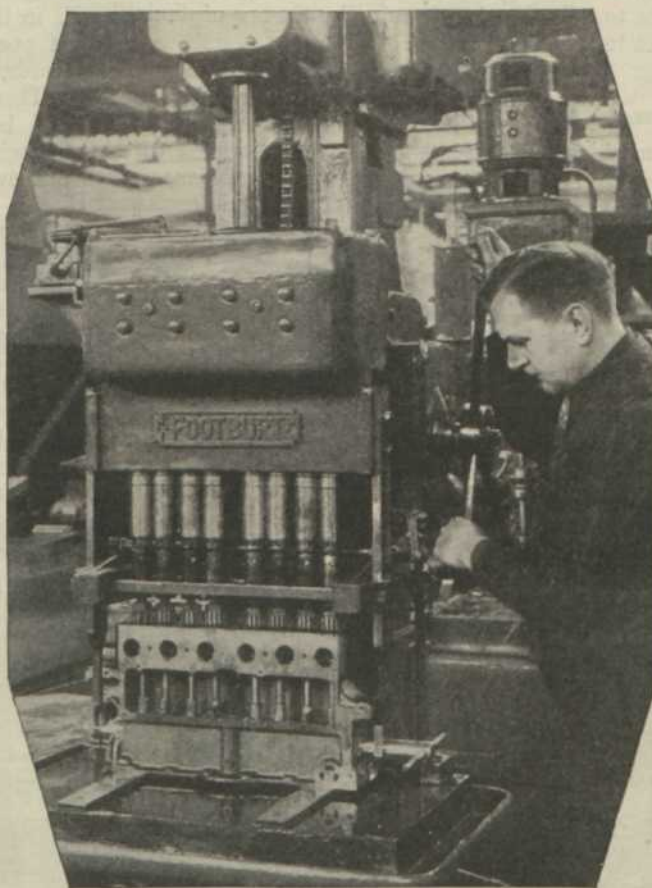
Those who have been clinging to the mistaken notion that standardization of process means standardization of men hailed the doom of the machine and a universal return to hand labor.

In so far as this particular manufacturer is concerned, these prophecies have now been pretty well exploded by the records of production and orders.

Even to the unthinking it is evident that the tools and processes he scrapped represented only a small part of the whole machine, using that term to include buildings, power equipment, and the organizations for design, production, and distribution.

Moreover, in this outstanding instance, it is apparent that the principle of standardization is still intact, and that no good reason has appeared to abandon it.

On the contrary, I believe it can be



FORD MOTOR CAR COMPANY

**"HENRY FORD has said that he regards a machine merely as an extension of the capacity of the man who operates it . . . Where machine development has been carried out as an agency of simplification it has been a major factor in enabling industries to meet the demand for change"**

shown that where it is recognized as a means to an end instead of an end in itself, standardization is advancing more rapidly now than ever before. To put it specifically, the number of operations which men may perform with greater rapidity by machinery is increasing in the same ratio as specialization.

## Standardizing Specialization

**I**N a small market the process of specialization—which may be defined as the continuous division of tasks into their simplest operations—is the opposite of standardization. But our markets have become so large that it is now possible to standardize specialization.

Where machine development has been carried out along that line—as an agency of simplification—it has never failed to

yield results. As a matter of fact, it has been one of the major factors in enabling modern industries to meet the increasing demand for change, since it lends itself to an almost infinite division of jobs and therefore to smaller and more elastic plant units.

It is only where an attempt has been made to reverse the natural function of the machine that trouble has developed. The function has been most clearly stated, in my opinion, by Henry Ford, who has said that he regards any mechanical device merely as an extension of the capacity of the man who operates it.

A machine installed on that basis may displace men for a time, but by increasing production it reduces costs and makes possible price reductions which are followed by larger volume. The product of the man and his machine reach markets which could not afford to pay for handmade goods, and this demand makes work for more men than were originally displaced.

This is by no means the same process as the installation of machinery designed as a substitute for men. The

machine built to extend the human hand shows a continuing trend toward simplicity, as jobs are divided and subdivided. That designed to displace men takes on a complexity which becomes increasingly burdensome as time goes on.

It is, in effect, a reversal of the subdivision process. It represents a sacrifice of elasticity to volume. Ignoring change—the vehicle of progress—it compels a forcing of markets which is economically unsound and therefore, in the long run, expensive.

It is these mass production Frankenstein's which have given rise to so many apprehensions as to the possible effect of change on industrial investment during the past few years, and with reason. I know executives of one large corporation who now admit that a poor finan-



cial showing in the past year is directly traceable to the installation of an elaborate automatic machine.

There are others who must face the same problem on the completion of installations running up to five and six million dollars. By these commitments they have surrendered their freedom to use consumer demand as the guiding light of their producing and merchandising policies. Their problem is not how to keep pace with change, but how to sell enough of an unchanging product to liquidate the investment.

### The Machine's Real Menace

**T**HIS is the real menace of the machine. Contrary to the popular opinion of 50 years ago its direct menace is to capital and not to labor. Its danger to labor lies not in the immediate displacement of men, but in the influence it may have in slowing up the processes of change—which is merely another term for expanding markets.

I believe this danger is now on the decrease; that most manufacturers have recognized the application of the law of diminishing returns to machinery. The extent of this recognition is such that, in my opinion, the problem of unemployment, which some experts trace to the increased use of machinery, is destined to become progressively less during the next few years.

If we are to hasten that end, however, and avoid further delays and losses, a clear understanding of the true function of the machine is essential. Without it there is danger that some manufacturers who have gone beyond the economic limit with machinery may swing too far in the other direction.

Their situation, in some respects, may be likened to that which faced the farmers some years ago at the beginning of the movement for the mechanization of the farm. Machines were sold with little or no regard for other economic factors, on the basis of their capacity. It was this excess capacity which led to many early failures.

Equipment designed for farms of 160 acres or more naturally proved to be a burden on smaller farms, for the simple reason that it worked only part of the time. The consequence of this was to delay the general adoption of farm machinery, since farmers hearing of such failures tried to get along without modern power equipment.

Today the successful farmer knows that he must follow the law of diminishing returns. He must strike a balance between his land resources, his man

power, the equipment with which his men are to work and the demand for his commodities, taking into consideration also the probable price obtainable. Having made these calculations, he reaches a definite point in buying tools and machinery where further investment is no longer justified by the results to be obtained.

The manufacturer is now learning that he is in the same boat as the farmer. He, too, is ruled by the law of diminishing returns.

If he lags in keeping his men supplied with mechanical extensions of their own capacities, his production costs become unduly high. If the overhead of his equipment investment overbalances the economies gained thereby, his costs soar just as inevitably above the economic level. It is necessary to know what the overhead cost is going to be before the installation of machinery, and in order to get at this figure a forecast of demand for the product is essential.

By way of illustration let us take a \$5,000,000 installation, which is not an unusual cost in many phases of the steel business. We know that under the most favorable conditions it will cost \$800,000 a year.

This figure is made up of six per cent

based on an estimated life of 20 years. If the machine is to be used in the production of basic materials which may not be expected to change, this overhead charge may be a reasonable estimate. But if the product is wholly or partly finished, the figures are too low, for it is obvious that a twenty-year life for such a machine is based on continuity of demand. It is also self-evident that the adaptability of such equipment to change is in inverse proportion to the number of operations it performs—in other words, its complexity.

Therefore the time may come when it will be too expensive to adapt it to changing requirements of the market, and even though the profit shown during a short period has been high, the scrapping of the equipment will represent a large loss.

I am in favor of the application of machinery to any operation which it can perform with economy and with a lightening of human labor. But I repeat that there is a vast difference between the process of extending the human hand and the one of seeking machine substitutes for men.

In a situation such as that outlined above, my point is that the progressive manufacturer will determine whether this expenditure would not be better invested in wages if labor and semiautomatic machinery can equal the production of the automatic machine. This means more men on the payroll, but it does not necessarily mean fewer machines. It may mean more small units, the aggregate production of which plus men is equal to that of a huge automatic set up. More money will be spent on wages, but this will be balanced by the lower machine investment.

### Took Time to Prove It

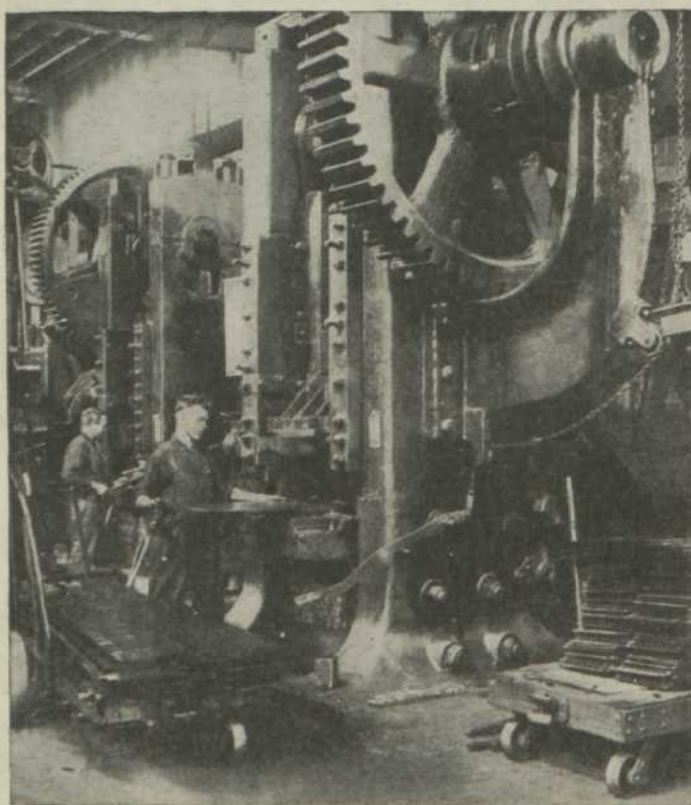
**M**ACHINERY was universally regarded as a substitute for man power when first introduced. Time was required to prove that it actually made more jobs by enlarging markets.

This revealed the community of interest between worker and employer. The machine aids both. It brought more profits to the employer out of a larger volume, and gave the worker higher wages out of larger production.

If we look at any machine from the joint rather than the single viewpoint we are

more likely to see it in its true economic function. When the results are equal and the work is not too heavy, it is better for both the worker and his employer to use labor instead of an automatic machine. For the employer to seek machines as

(Continued on page 142)



EWING-GALLOWAY, N. Y.

"Machinery was universally regarded as a substitute for man power when first introduced. Time was required to prove that it actually made more jobs"

on the investment, \$300,000; five per cent annual depreciation, \$250,000; repairs, maintenance and power to operate, \$250,000. It will be noted that this does not include the cost of labor for the setting up of tools and for operation. Likewise, the item of depreciation is





FAR FROM being recent developments, big business and big business men were flourishing long ago. Only now, however, are research men discovering through their investigations of the histories of ancient peoples the records and secrets of past commercial ages. They are finding an undreamed of kinship between business then and now



# Business of Ages Past

Daring and bold, it made possible these modern times

By BURTON KLINE

Decorations by Charles Dunn



**M**OST Americans regard big business, when they think of it, as a modern growth of strictly American origin. It may amuse some of them to recall how they feared and fought it 20 years ago, and how proud they are of it today. In their pride they may not be mistaken; on the point of its origin they are.

Big business was a going concern thousands of years ago. The fact is, if there had been no big business then, there could be no big business today. The really curious thing is that we should have been so long in the dark as to the volume of business done in very ancient times, and of our present dependence upon it.

For hundreds of years the human tribe was content to know little or nothing of its origins and early past. Now it has conceived a new and intense interest in these matters.

In recent years, especially since the War, this literal digging into the past has become an industry in itself. With each addition to their knowledge of ancient peoples the diggers know better where they shall dig for the next discovery and what they will find.

## Human History Lengthens

**T**HE result has been an enormous, and comparatively sudden, extension of human history. When the business man of today went to school, the human record was supposed to begin with the Greeks. Now it is known to reach for thousands of years into civilizations startlingly modern in what they were and did.

The man busy in office or street little realizes the activity and the scope of these diggings into the past, or the practical value to himself of what is being discovered.

The drama, the romance, and above all the solid worth in these multiplying finds





has awakened the interest and opened the purses of men of means, and well-financed explorers are busily opening up the caves of France and Spain, the sands of northern Africa, the mounds of Palestine and Asia Minor.

The junior Mr. Rockefeller, in particular, has founded an institute to push this delving into human origins. Every little while the newspaper columns convey some account of the finds these diggers have made, and out of them all, if you notice, one fact stands clear.

History, as the average schoolboy has found it, is nothing but a string of battles and dates. Yet all these ancient wars had somehow to be financed. Somehow these early peoples, before they could fight, were obliged to live and support themselves and their states—by the only possible means: industry, farming, commerce, shipping.

In a single word, business.

Among all that these diggers have discovered, the thing that stands out clearest is the fact that all these peoples, even the most ancient, lived a business life of hitherto unbelievable richness and activity. Their wars and conquests were hardly more than interruptions to periods of prosperity, and even these wars were waged for chiefly economic reasons.

We have easily found the monuments and statues they raised to their military heroes. Only lately have the records of their business life—their buried safes and office files, it might be said—been stumbled upon.

As a consequence history suddenly unfolds itself as a story intensely human and of practical importance to us of today.

It might seem a paradox to say that there could be no United States Steel, no Standard Oil, no General Motors today if the pyramids of Egypt had never been built, yet it is true in a sense.

### What We Have Missed!

IT is true in the sense that if the people who built those piles had never lived and started civilization as they did, we Americans, the few who might be alive, would be bringing home our bacon with bows and arrows and living in trees or caves. For every advance in human progress is only the extension of a former advance, and the life we live today is only the current chapter in a serial story—a chapter that never could have been written without the ones that have gone before.

That is interesting enough, but the chiefly interesting thing in the human record is the fact that the story for thousands of years is a story of business.

In 1853 an unusually prolonged drought sent the level of the Swiss lakes to an unprecedented low point.

On the exposed bottom at the edge of one of the lakes were found the relics of a prehistoric village.

For protection against enemies the builders of that village had planted their community in the water, connected with the shore by a causeway which they could draw up by night. To support the



houses they had driven into the lake bottom no fewer than 50,000 piles. That is evidence of organized effort under competent direction.

The same evidences of community effort, of organized endeavor, exist in the many tombs that Late Stone Age Man left all over western Europe, probably in honor of his chiefs or leaders. The stones composing these tombs weigh as much as 40 tons and were dragged many miles. It took organized effort, big business, to put them in place.

Stonehenge is an ambitious assemblage of such stone pillars, arranged with architectural precision—bigger business still.

Near Stonehenge, and near the remaining foundations of prehistoric towns in France, are race courses and athletic fields, all an indication of a highly developed and prosperous community life. Late Stone Age Man had accumulated means enough to enjoy himself.

### Prehistoric Foreign Trade

FOREIGN trade had come into existence by then. In Norway and Sweden have been found flint implements, the flints from a mine that existed in a region of what is now France. On the other hand, French soil has yielded up amber ornaments that could have come only from the far North.

In Europe climate stood in the way of human progress. Four successive ages of glacial ice nearly froze out human and other life. But in the Nile Valley the climate was mild, and for 500 miles in the narrow Nile ditch a fertile soil encouraged agriculture. On either side, desert and rugged mountains made the region safe from enemies.

There Stone Age Man first emerged from barbarism and the speed of his progress was never matched until our own day.

As early as 4241 B. C. there had been evolved the calendar we use to this day. By the year 3400 B. C., the people along this narrow river valley were united for the first time under one king.

Even before this, however, they had hit upon something even more important to human progress than ordered government. The world we live in today would never have come into existence if on one memorable day, some 7,000 years ago, some lucky man had not discovered metal.

An early traveler on his way along the Sinai Peninsula, the land bridge between Egypt and Asia possibly discovered metal by banking his wayside fire with stones one night. In the morning he was astonished to find among the ashes certain shiny reddish globules.

Presently he found that these globules could be obtained at will from the rocks, by laying them on a fire. In time he learned that these could be beaten out thin or melted together, and fashioned into any shape. Daggers could be made from them, chisels, tools of every kind, to replace his implements of stone.

The man who brought this about may never have visioned the full extent of what he had accomplished, but the fact remains that he was building the entire world that has grown from then to now.



Copper, the first metal, and its uses, had been discovered. Nobody can deny that that was big business.

It took men 20 centuries to pass from finding the first copper to an era of industrial, social, and governmental development more rapid than any until our immediate modern times. Only the nineteenth and twentieth centuries of the Christian era can match the progress those Egyptians had made by the twenty-ninth century before Christ. By then they were able to build the biggest stone building ever put together, before or since, the Pyramid of Khufu, whom the Greeks called Cheops, at Gizeh.

That building contains 2,400,000 blocks of limestone, weighing on the average, two and one-half tons apiece. The base covers nearly 13 acres. Each side of that pyramid is nearly two city blocks long. It rises to a height of nearly 500 feet. The stones for it had to be quarried across the Nile and dragged up steep heights into place.

On the outside of this square cone they laid a facing which has since disappeared. Under the sand at the base, traces of this have nevertheless been found. The stones found weighed tons apiece, yet they were polished like an eye-glass and fitted together, without mortar, so that the edges were not a ten-thousandth of an inch apart. Modern times can show nothing to beat such precision work.

This building was an antiquity when Greece, after a thousand years of growth, had at last turned out men wealthy enough to travel and view the wonders of the world. To put this pyramid together it took 100,000 workmen 20 years. But these 100,000 men were only the skilled workers immediately on the job. Think of the quarrymen needed to hew out the raw materials.

One hundred thousand men are a population in themselves. A city would have to be built to house them, a commissary department to feed them. There are many pyramids in Egypt, yet building this greatest one alone must have cost a national effort and must have taxed the resources of the state. It was big business.

At the same time the probably seven million people of Egypt found time for other pursuits. There has been found, among other things, a gold vase of the time, a masterpiece of the goldsmith's art, inlaid with lapis lazuli in complicated designs. For grace of design, for beauty of workmanship that vase today would draw attention to itself in Tiffany's window.

### Old Modernized Egypt

**T**HIRTY centuries before Christ sanitary plumbing was in use, at least in Egypt's public buildings. Ships and shipping had come in some centuries earlier still. Egypt grew into a tremendous maritime commerce and sent her goods all over the eastern Mediterranean. Again, big business.

We of today regard the Suez Canal as the first of the two vast canal engineering projects, both strictly of today. The Egyptians cut a canal of their own from the Red Sea, but they ran theirs into

the lower Nile. The remains of it are still to be seen, and they cut it through 4,000 years ago. Once again, big business.

Across the Sinai Peninsula, along the Babylonian plain, and about a thousand years after the first burst of Egyptian progress, another civilization sprouted, almost certainly under stimulus from the Nile. These peoples too, the Babylonians, did other things than make war. Explorers sent out by the University of Pennsylvania have dug up vast numbers of their business records, enough to reconstruct fully in imagination the teeming business life of the time.

### An Early House of Morgan

**B**ABYLON became a busy port for the shipment of grain. And as early as then a House of Morgan grew up, the Murashu Brothers, who did a general business in hay, grain, feed, live stock, jewelry, real estate and banking. No deal was a guaranteed success unless underwritten by the Murashu Brothers.

Thousands of clay tablets have been found bearing witness to business deals entered into during that day—contracts, lawsuits, even to accounts of labor strikes. The life of the times was unbelievably like our own.

Babylon's King Hammurabi, the Nimrod of the Bible, bent himself to the development of commerce in his empire, and evidently succeeded. By the evidence that has come down of him, Hammurabi was one of the great administrators of all time.

He lived some 2,000 years before Christ, and yet he lived nearly 4,000 years ahead of his time. For Hammurabi was the originator of the minimum wage. You will find it in his celebrated code of laws, found as he had it carved on a stone and set up for all his subjects to see. Hammurabi not only went in for big business in his own day, he foreshadowed some of the economic developments of our own twentieth century.

Nebuchadnezzar was another man advanced for his time. He built the first roof garden, to adorn a metropolis that drew traders from all over Asia Minor. The first stone bridge was built at his orders.

The Persian Darius was the first man to establish a "foundation" in the strictly modern sense. You might almost liken it to the Rockefeller Foundation, for it too was a medical school and for the benefit of the world. These things are possible only in a prosperous country, among a people familiar with united effort.

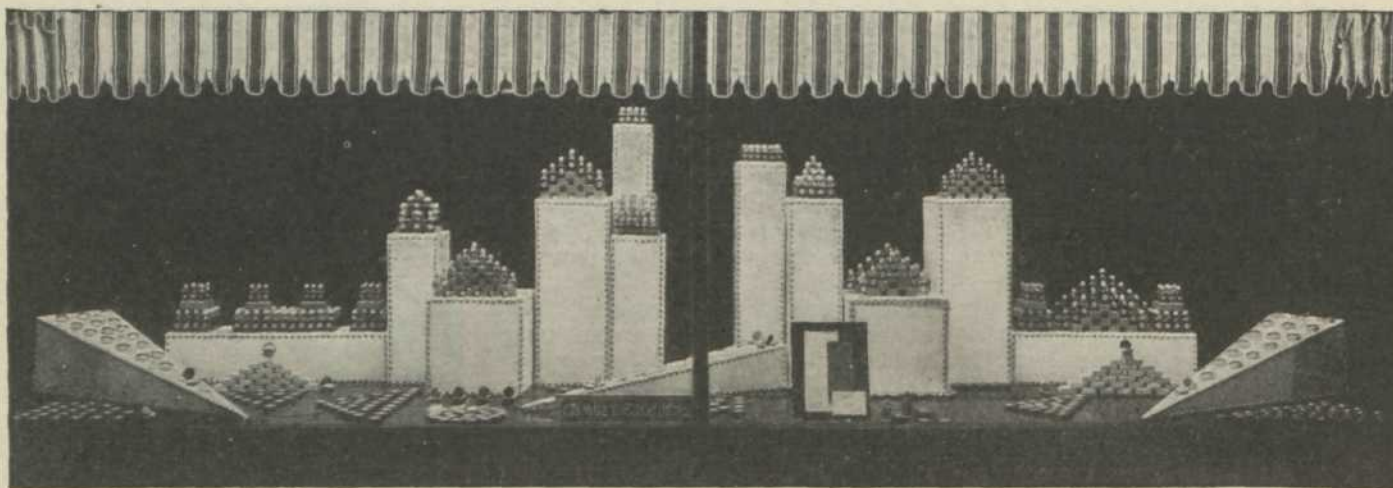
We are apt to think of the Greeks as chiefly philosophers, poets, great dramatists, sculptors, architects, a people whose interests were centered in the arts, the play of intellect. But you can't dally with the arts until you have the means and the leisure, and the great works of Greece had to wait until the Greek race was wealthy enough to go into these things.

As might be expected, the Greeks gained their wealth in world commerce. They sent out manufactured goods and

(Continued on page 118)







Even toilet articles may be made to yield to modernistic displays

WORSINGER, NEW YORK

# Modernistic Art Turns Salesman

It is revolutionizing the display of goods

By FRANKLIN S. CLARK

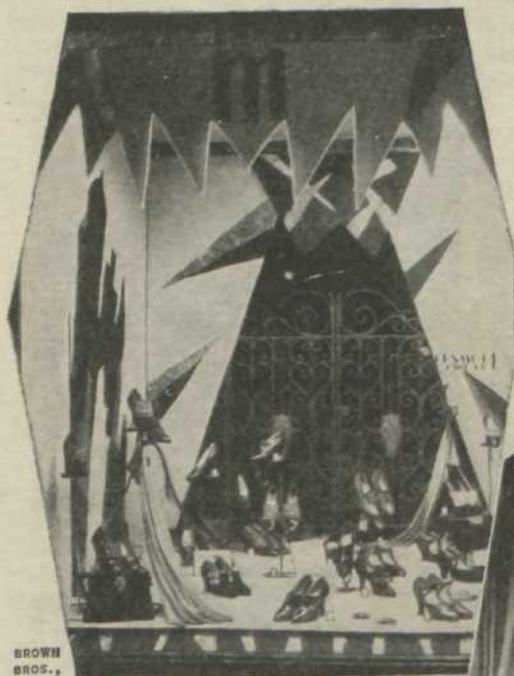
**S**HE was a sophisticated modern. Her long eyes, half closed, looked it. She had known much of life, always at its gayest, its smartest, and its best. Her lips, eager, mobile, knowing, spoke it. They were a pastel green, matching her hair perfectly.

## "A Remarkable Figure"

**I** WAS interrupted in my observations by the sales manager of the display fixture firm that owned her. She was indeed a remarkable figure, he said. A department store in Fort Worth, Tex., in one day had sold no fewer than 40 dresses right off her back.

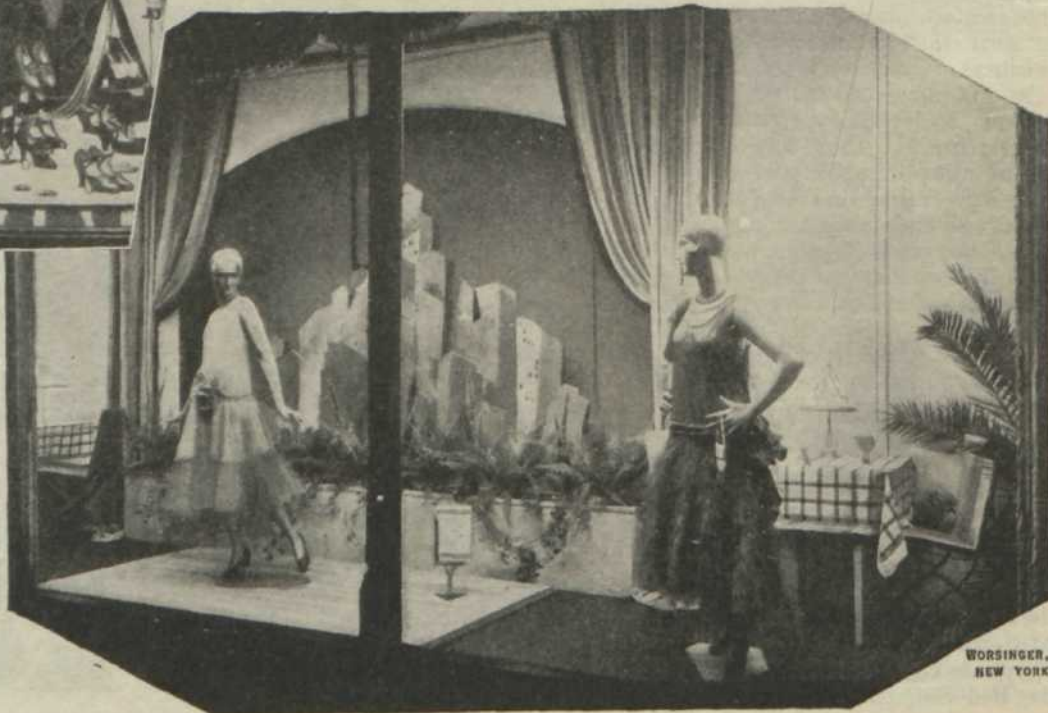
This *papier-mache* model and her hundreds of modernistic companions contrast sharply with their old wax counterparts of doll-like perfection. They illustrate the nature of the change that has come over the window display fixture business in the last few years, a change that has entirely transformed that business. No longer is it a business of staples—stereotyped wax models, adjustable "T" stands, and hat holders of turned wood or plain stamped metal. Display managers have a tendency to fill their windows with ideas rather than with goods.

Modern art has provided an effective way of doing so, for by use of it

BROWN  
BROS.,  
N. Y.

Footwear for milady as up-to-the-minute as is its setting is suggested through this display

It is apparent that this modern art is essentially a reflection of city life, with its speed and sophistication

WORSINGER,  
NEW YORK



they find it possible to suggest such ideas as smartness, being in the know, and similar things.

Another display house I visited had models of hammered brass in silhouette. It also showed a Santa Claus that made a tremendous hit in several cities. This particular Santa must have proved quite a surprise, even to himself, for copper, bronze and aluminum displaced the traditional red flannel, cotton fur and whiskers in his makeup. His metallic figure was set in a framework of wrought iron that represented a leaded glass window, through which was seen a background of apartment houses made of unfinished sheet iron, aluminum clouds, and a silver star of Bethlehem emanating rays of copper and polished steel.

### Customers All Over

I HAD to wait a while at this place before the sales manager was free to talk to me. Customers were demanding his attention, one from Spokane, another from Galveston and a third from Minneapolis—significant of the fact that display managers now go to New York to shop just as do buyers of women's wear. They used to order from a catalog.

But today it is different. And the present modernistic models in *papier-mache*, plaster of Paris, brass, bronze, and other materials are only the beginning of this new industry. All sorts of standards, shelves, screens, and window tables and chairs are made. They are constructed of wrought iron, copper, glass, celluloid—no list of materials would be complete, for new ones are being constantly added.

The wrought-iron fixtures rely wholly upon such things as can be suggested by lines for their effectiveness. It is remarkable what can be done with such a simple medium. Trees, flowers, tall buildings—all may be suggested, but in a simpler and more subtle fashion than by the older method.

Only in combination with goods displayed are these modern fixtures likely to express a concrete idea. Thus a woman is attracted by an evening dress displayed on a curving wrought-iron standard.

Perhaps there are playful variations from the symmetrical in the curves, variations which suggest originality, an interesting independent sort of personality. And yet she forms no conscious picture of

the standard. What she actually sees is the dress. But with the help of the standard she forms a mental picture of the dress as it would look on her own interesting self.

### Subtle Art Is Used

CONTRASTING surfaces, simulations of shafts of light, angles and cubes, and shadings that suggest depth or height in screens or backgrounds made of cloth,

case of the Santa Claus already described. Wood is used without finish or lightly stained, so that the grain is plainly visible. Pine is used as often as more expensive woods.

It is apparent that this modern art is essentially a reflection of city life. It takes the sharp lines, the flat surfaces, the speed and sophistication characteristic of city life and weaves about them both charm and romance. All this lends value

to the newer art forms for window decoration purposes, for the city has always been the dictator to those who come to buy.

Not all the new art is good art. The makers of the new display equipment are the first to admit this. For one thing, the new art of window display, being only a few years old, is still partly in the experimental stage.

Originally the modernistic display fixtures and ideas came from France, Germany, Austria, and Italy—as did modern art itself. But at the present time less than ten per cent of the window display equipment is imported.

The demand for display equipment created by our large department stores is so much greater than is afforded by the European market that the industry has been able to come ahead very quickly in this country. And artists have developed with the industry who are considered the equal or superior of those abroad.

### His Field Not Limited

ONE man who has created many display fixtures and who is often called in by the larger department stores as a special consultant is also a creator of stage designs for the theater. He has supplied art for some of Broadway's biggest hits. And he supplies art equally good for Fifth Avenue department stores.

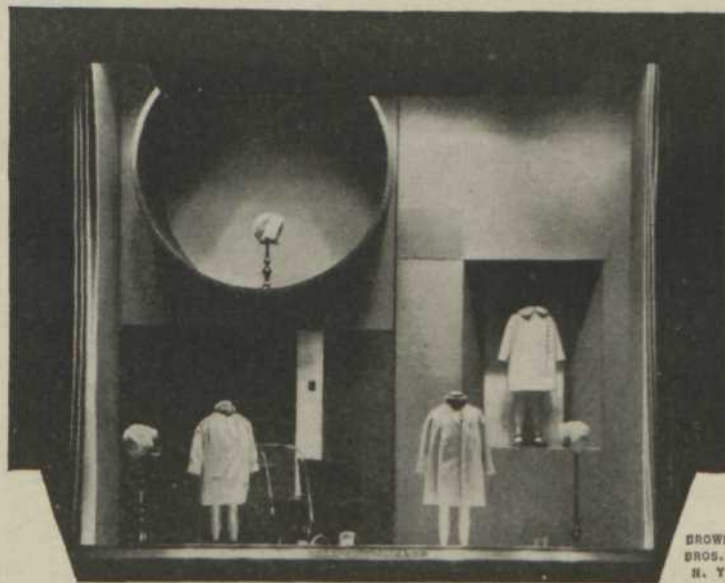
Fixtures of his designing find their way to other artistic window displays in the smart shopping districts of Des Moines, Tulsa, and Milwaukee.

This new art of window display is just one of the ways in which modern business is helping to quicken the country's artistic consciousness. And probably it is one of the most effective ways.

Despite the fact that this whole development is yet in its infancy it is already taking an important place in America's business fine arts.



DISPLAY MANAGERS these days are filling their windows with ideas rather than with mere goods. Modern art has provided an effective method of doing so, for by use of it they find it is possible to suggest such ideas as smartness, being in the know, and so on



metal, or wood—these are even more subtle than simple lines in their power of suggestion.

Silver, black, and gray are combinations most in vogue just now, though bright colors are used also.

Many materials are used in their natural colors. Metals, for example, are often contrasted with each other, as in the

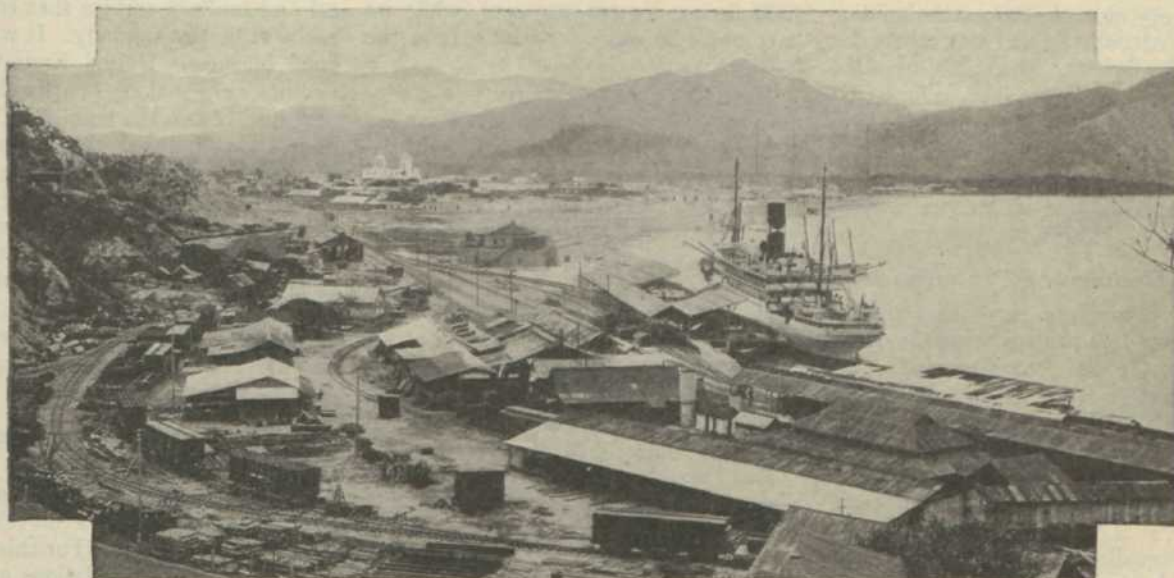




### THE HEART OF FINANCE

*An etching of the New York Stock  
Exchange by Anton Schutz*





An American ship calls at the water-rail terminal of the thriving town of Santa Marta, Colombia

## Foreign Trade's Golden Rule

You can't exploit your markets and have them too

By VICTOR M. CUTTER

*President, United Fruit Company*

UNTIL a few years ago most of the goods sold by American business concerns in foreign markets represented production in excess of home market requirements, in the manufacture of which the foreign consumer was not considered until the merchandise was ready for sale. The distribution of such surpluses abroad was generally regarded as a temporary measure required to meet an emergency which the producers hoped would be short-lived and would not occur again.

That, in a nutshell, was the chief reason why many American business men, highly successful at home, had difficulty for so many years in making progress abroad. It represented the fundamental difference between American methods and those of Germany, England, and other European nations that had succeeded before the war in virtually monopolizing the South and Central American markets.

The basic difference was one of attitude, and while that remained unchanged nothing that we could do to imitate the successful methods of our European competitors had any great effect.

The economic reason that sent European manufacturers into Latin America and other markets foreign to them was essentially the same as ours. But though we regarded it as temporary, to them



"Each banana farm is a self-contained unit, with men, railroads, tramlines and hospitals"

the capacity to produce more than home needs was a permanent condition. They sought permanent rather than temporary outlets, and long-time rather than immediate profits. Consequently they were able to excel us even in some instances where their merchandise was inferior to ours.

In every phase of the business cycle they thought of the foreign consumer as a regular customer.

As president of the United Fruit Company during the past four years, and previously in other positions, from a

time keeper up, for the same Company, it has been my privilege for almost a quarter of a century to observe at first hand the changes in our point of view toward foreign trade.

The most obvious is the shift in attitude which has brought us to see the foreign market as the European sees it—as a permanent outlet for our goods. This has given rise to a series of equally obvious changes in plan and method, the net effect of which has been to eliminate the handicap under which we formerly were operating. We have discovered that such items as the length of credit and the form of package required, once looked upon as insuperable obstacles, are merely matters of detail.

This changed attitude has brought us abreast of our competitors, and even far ahead of them

in many markets where their dominance once was almost complete. This is particularly true in speaking of the Caribbean countries.

Geographical advantages, American aggressiveness, and the change in our point of view toward foreign trade in my opinion, however, fall far short of explaining the tremendous progress we have made since the war. I believe the real cause lies in what might be called a domestication of the foreign market.

In foreign trade what I have in mind represents a complete reversal of the an-



cient theory of exploitation, the guiding principle of both buyers and sellers for thousands of years. More and more the old definition of the ideal commercial transaction—one in which both interested parties are benefited—is being put into actual practice. A large proportion of our business now is done in accordance with this ideal.

### The Dominating Proportion

**M**OST economists agree that in this country this proportion is the dominating one. It has become so much a part of our business creed that we take it for granted. When great American corporations, which have built up tremendous organizations and revenues at home by this simple formula, go into foreign trade, therefore, it is natural that they should apply to the distant consumer the standards which have succeeded elsewhere. It does not occur to them that they are inaugurating anything save sound business principles.

Since one of the corner stones of their success is permanence, they are willing to build for future profit. Most of them are doing business on the small margin of modern American merchandising principles. In order to show a profit, this requires consumer confidence.

It is obvious, both from this general outline and from our export statistics, that the modern American development of foreign markets is something altogether new in world commercial history. Not only have we caught up with the European in the sense that we are now offering fixed and stable values instead of questionable bargains, but we have gone a step beyond to domesticate ourselves by setting up permanent establishments which may continue to thrive and prosper only as there is prosperity in the countries in which they operate.

We have identified ourselves directly with national economic interests, and the effect of this is partly reflected by the vast expansion of our trade with Latin America in recent years.

From 1910 to 1914, for example, the sales of American goods to these countries represented only 14 per cent of total exports, whereas in 1927 they accounted for 17.4 per cent. Analysis of our exports from another angle is even more enlightening. A quarter of a century ago, according to the Bureau of Foreign and Domestic Commerce, finished manufactures accounted for only 24 per cent of total exports from the United States. Since then the gain in this most valuable form of merchandise, which represents the best skill and craftsmanship of the country, has shown a steady increase until in 1927 it stood at 42 per cent. The major part of this increase has been in recent years.

It required 22 years to increase the

1900 figures by ten per cent, while we have made an eight per cent gain in the past six years.

The United Fruit Company is a producer and buyer of foreign merchandise, rather than a seller. Its record is of peculiar interest, therefore, in the light of present day developments, if only to show that the principle of mutual profit not only works in foreign trade, but works both ways, in buying as well as in selling.

The Company was started by a group of hard-headed Yankee business men only 29 years ago, when the idea of exploitation was still thought to be fundamental to foreign trade.

This conviction was so widely held that when the Company set out to adapt itself to the countries in which it operated, many veterans predicted that the plan would fail.

This prophecy was strengthened by the geographical, political, and commercial complexities of the banana business. The Company had brought under one management the largest agricultural development in history. It was producing

cal and sanitary service that costs thousands of dollars annually. It was simply good business. United Fruit Company doctors were making tropical jungles healthful before the building of the Panama Canal induced the United States Government to transform the Isthmus into a health resort. We early learned that laborers must be kept in good health if our plantations were to be systematically worked. As a result of our efforts yellow-fever has disappeared from our plantations, hookworm is under control, and we are beginning to bring malaria and dysentery under control.

### The Foundation of Success

**T**HESE and other material contributions, however, do not constitute the foundation of United Fruit Company's success in the tropics. For this we must look to the human relations created as a result of the fundamental policy of adapting the Company to the countries in which it operates, and of identifying it with the national well-being.

In the early days we planted vast areas to bananas because we had to have a substantial guarantee that our expenditures for steamships, railroads, and tramways were warranted. We could not depend upon a small and irregular supply of fruit. We still continue to grow large quantities of bananas, but today we also buy from native planters.

In 1927 the Company paid out in the Caribbean countries in which it owns plantations the sum of \$23,972,639 in wages, of which more than 75 per cent went to the nationals. Direct purchases of fruit from native planters amounted to a sum approximately equal to the wage expenditure.

The scale of wages paid by the Company is high, and the effect has been to raise the standards of living everywhere.

The result has been to build up in what had been regarded before as a casual and precarious industry a labor force of 70,000 men led by management groups which represent the real strength of the corporation. The land farmed by the Company represents an area about twice the size of Rhode Island, and the Company owns and operates 100 ships and 1,500 miles of railroads. From aviators to wheelwrights, there are 262 types and kinds of occupations on our payrolls. The majority of these employees are nationals of the Caribbean countries, and I am convinced that the growth of the Company to its present size would have been impossible without them and without the foundation policy of mutual interest and benefit.

Our farms are scattered through four Central, one South American, and two West Indian locales, meaning that each farm or group of farms in each country

(Continued on page 86)



"The majority of our employees are nationals of the Caribbean countries, and I am convinced the growth of the Company would have been impossible without them"

a highly perishable commodity in farm units which had to be scattered in each country so that all its plantations might not be destroyed by the tropic storms. Today the Company has plantations in seven countries—Colombia, Costa Rica, Guatemala, Jamaica, Panama, Honduras, and Cuba.

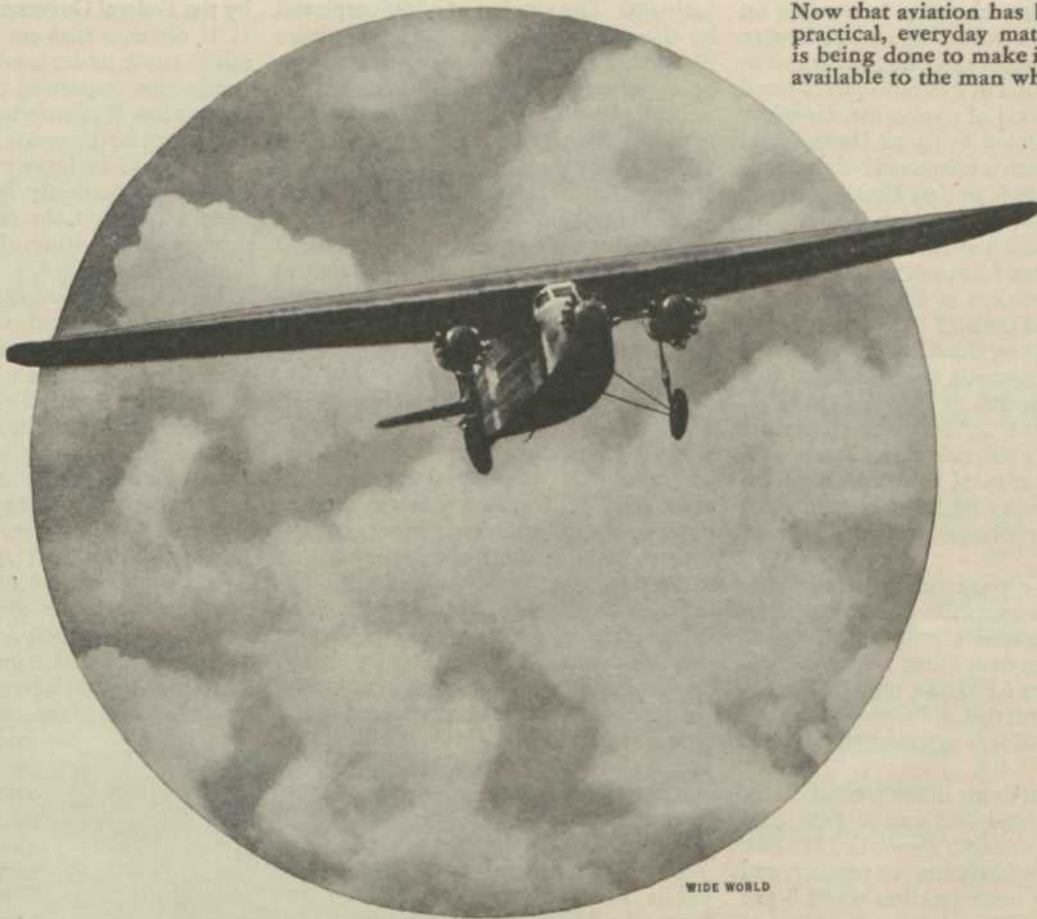
### Health and Good Business

**T**HE Company had one great advantage in that it could not take out of any of these countries more than it put in. It was not in the same position as the producers of oils, minerals, and forest products. We took the least desirable jungle land along the river bottoms, for which there was no other commercial use than the raising of bananas. In nearly every instance this land was shunned as unhealthy, swarming as it was with mosquitoes.

There was no philanthropy in the fact that it was necessary to build up a medi-



Now that aviation has become a practical, everyday matter, what is being done to make insurance available to the man who flies?



WIDE WORLD

# Insurance Looks into Flying

By WALTON L. CROCKER

*President, John Hancock Mutual Life Insurance Company*

**L**IFE insurance is up in the air! It is up in the air, however, only in respect to a new problem that has dawned with this aerial age. That problem concerns aviation's relation to life insurance as a new factor of risk-selection and classification.

Aviation, through its recent feats and accomplishments has not only enthralled the sentiment of man; it has engaged his practical thought. It is to this latter development, aviation's adaptation to a varied usefulness in our everyday life, that life insurance now finds its attention drawn.

For the question of whether they shall go up in the air with or without life insurance is becoming of increasing interest to men. Their positive demand for such insurance is the final conclusive proof of its necessity.

Those who propose to go into the air develop a singular want, need, and desire for life insurance—even those who under ordinary circumstances might not be easily won toward the dotted line by the enterprising emissaries of the insurance companies.

Strange lack of faith in the boasted safety of air travel! But so it is, and probably it will always be so when men leave the ground. They know they must come down but they never can be quite certain of how they will come down.

And that is the reason why, thus far, the incompatibility between standard life insurance rates and constant and regular air travel has not been as yet satisfactorily composed.

Now what is this hazard in its effect upon the death rate? How

great is the danger of total and permanent loss from flying? That is what we are trying to find out, as life insurance must serve in this field if it can.

The risk is in the main divided into two classes, one embracing pilots or other passengers who habitually go aloft, the other the casual passengers.

## An Unknown Situation

**T**HOSE in the latter group have the obvious advantage as they may travel always on regular lines and choose their time. Those in the former group having to go more or less at regular seasons or regardless in the main of conditions, are more exposed to the hazards.

That aviation has in the past been fraught with deadly danger none will dispute. That the condition is rapidly improving is apparent. But those who are responsible for the administration of life insurance find themselves still faced with an unknown situation, attended with a most rapid development, in the working out of which a prematurely liberal attitude might easily work a wrong upon present policyholders.

Indeed, some of us life insurance managers, who several years ago started on a





liberal program, charging passengers on regular lines no extra rate, and with extra premiums to pilots and others of as low as \$10 the thousand of insurance, were faced with such a flood of applicants, including pilots who started to fly to Hawaii, and experienced such a volume of quick claims from crashes that we felt forced to adopt a more conservative position.

Can the condition then, become stabilized in the near future so as to promise a reasonable prospect of life insurance for all who go into the air? The answer may be nearer than we think, but its assurance seems at the moment to await some further developments.

I quote some figures from researches made by Dr. Frederick L. Hoffman, consulting statistician of the Prudential Insurance Company of America, and some facts and figures he produced in this connection.

Our regular airway mileage on 50 routes (nearly all under the Department of Commerce) is now 41,480, and the total air miles flown over these routes in 1927 was more than 5,800,000, only 8,576 passengers were carried, however, compared with almost 197,000 carried by European air lines.

Deaths from flying in the United States in 1926 numbered 160, and in 1927, 214. The United States air forces in 1927 flew an average of 4,800 hours per fatality, and the mortality from aviation was 1.6 per million of population, about the same as in England and Wales. Three hundred and fifty-six planes crashed in the United States during 1927, but 259 of these accidents caused no injury to persons.

Preliminary returns for the first six months of 1928 gave 161 fatalities in the United States, including possibly some duplicates. This compares with 82 fatalities for the corresponding six months of 1927.

### An Envious Record

THE aircraft mileage flown during the years 1925-27 inclusive over all established British air lines was 2,471,000. But in these three years of operation there was not a single casualty.

In the experience of the *Luft Hansa*, the organization which carries on most of the continental European air transport business, the number of air miles flown during 1925-27 was 12,605,000. In connection with these operations there were 22 deaths or an average rate of 1.7 deaths per million miles flown.

Comparative vital statistics for the United States and England and Wales give the following interesting results. During 1921-1926 the number of deaths in aviation in the United States was 903, a rate of 1.5 per million of population. For England and Wales during the same period the number killed was 265 or a rate of 1.1 per million. But for 1926 only, the American rate was 1.5 while the English rate was 1.4.

Perhaps the first definite figures on casualties to pilots come from private returns furnished by 14 American air transport companies operating during 1927 and part of 1928, with an air mileage of

5,219,000. The number of pilots employed by these companies was 104; there were 21 crashes in which six pilots were killed, or six per cent of the number employed.

In the United States Army, on the basis of hours flown, the fatality rate during 1923-24 was one to every 2,775 hours. During 1926-27 the ratio was one to every 3,197 hours. In the United States Navy the fatality ratio was one to every 3,269 hours in 1923-24 against 3,977 hours in 1926-27. Flying in the Navy is, therefore, somewhat safer than in the Army, and in both the ratio is improving.

### Uniform Legislation

RECENT figures from the Division of Vital Statistics, United States Census, show 214 aviation fatalities of all sorts in 1927. Compared to the number of those who actually flew or were otherwise exposed to the hazard, the number killed was large.

These figures are interesting, both in themselves and for what they suggest by way of possibilities of still further improvement in stabilization of aviation.

It is apparent that the increased use of planes bids fair to create a situation making uniform legislation of great importance.

First, the general public which is not flying should be adequately protected against those who fly too low or in other ways court danger to themselves and to those on the ground below. Stunt and low-altitude flying over inhabited areas should be prohibited.

The taking up of passengers on test flights should be prohibited.

Flying for sight-seeing purposes should be subject to uniform regulation, involving properly licensed and inspected pilots and planes.

The airport question looms as one of the factors involving safety as well as future development. The airports of our cities in general, even those of largest size, are held to be generally inadequate and inefficient. Buffalo and Newark are notable exceptions.

Casualties due to structural defects in planes are extremely rare and account for only five per cent of the whole number of accidents. It seems that our manufacturers, by developing new safety devices or by adoption of such improvements as the Handley-Page wing-slot, can reduce this percentage even further.

And finally, it appears that legal interpretations of existing rights and possibly a new body of laws may come out of this new phenomenon. It has been suggested that uniform legislation by the states and

by the Federal Government is a necessity. It is obvious that no end of confusion might ensue under a conflict of laws and regulations respecting this activity, especially when it rounds into its full stature. For example, interstate air activity is and must always be largely prevalent, and it would be practically impossible for any state to prevent the crossing of its borders by plane either of its own or other states' licensing.

Do not these thoughts suggest a federal as well as state license for all pilots? Is it not possible to conceive of the future necessity of a central control, both in flying and flying's allied pursuits?

Questions of state rights and of enlargement of federal powers are delicate matters for discussion, but here it must be evident is an important matter bearing on the safety of the general public, larger than any individual state interest, and as the number of planes and their daily use increase (they are being produced now at the rate 3,500 or more a year), the problem will become more serious. Both state and federal licensing and complete federal control of the air traffic may there-

fore be by no means an impossibility and apparently would make for increased safety of all concerned.

Navigable waters have come under the jurisdiction of the Federal Government as a matter of necessity and convenience. As the air becomes navigable, will not necessity and convenience require its navigation to come under federal jurisdiction also?

As successive improvements result in the increased safety of those who go aloft, there will come a greater certainty in the classification of the hazards which come from regular flying. Where every-

body flies, it will become more like the automobile hazard, well-defined but regular because spread over so many lives, and accepted as an unavoidable and universal element in the cost of life insurance.

### Regular Lines Are Safe

THE fact seems to be, however, that passengers on regular airlines with perfect machines and under control of regularly licensed pilots, enjoy a good degree of safety. Therefore those who occasionally go into the air under proper auspices need have no great fear. So far as their life insurance is concerned, if there is no condition in their policy against it and if there has been no material misrepresentation in answer to any questions in the application bearing upon intent to fly,



UNDERWOOD AND UNDERWOOD

Established British air lines flew 2,471,000 miles during 1925-27, without one casualty



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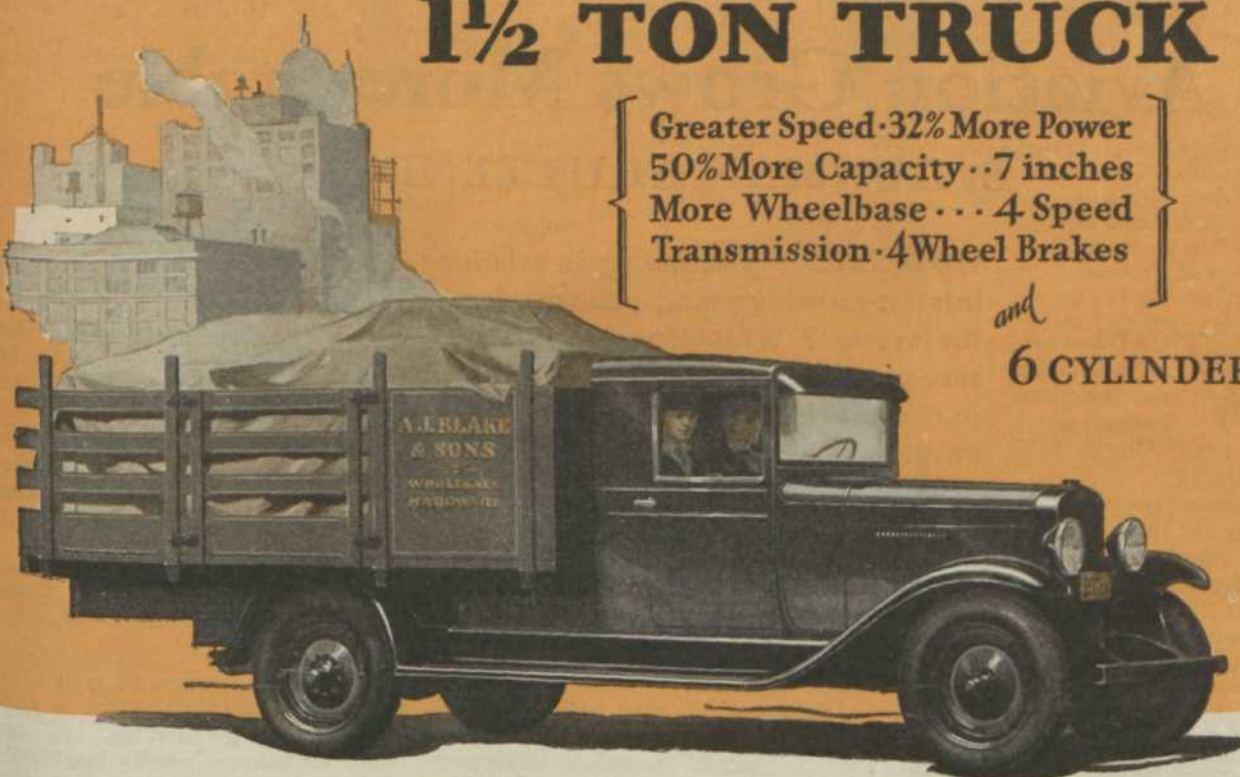


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**O**FFERING scores of vital advantages never before available in a truck priced so low, the new Chevrolet Utility 1½ Ton Truck represents the outstanding achievement of the world's largest builder of trucks!

The new six-cylinder valve-in-head engine develops 32% more power with correspondingly higher speed and faster acceleration. The 131" wheelbase—7" longer than before—provides full 1½ ton capacity with ample

room for mounting every conceivable body type. The four-speed transmission and four-wheel brakes assure maximum efficiency under every haulage condition, from gravel-pit work to high-speed city delivery. And it operates at as low a cost as its famous four-cylinder predecessor!

Ask your Chevrolet dealer for a demonstration. Learn how this remarkable new truck will do your work better and cheaper than any other truck you can buy!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN.  
Division of General Motors Corporation

**- a Six in the price range of the four!**



there seems no chance of the question arising as to the validity of claim in case the unexpected does happen and death ensues.

English companies with their better experience of a more stabilized general airplane performance, are said to have removed restrictive clauses in their policies. Researches show that out of 50 leading companies in the United States and Canada, 42 companies do not have a clause against air travel. Eight have more or less modified clauses.

Apparently, however, these 42 companies that do not have such clauses—and these are the companies that write the vast majority of the life insurance in the country—endeavor to control in some manner the unknown hazard which they

vaguely feel and think they should properly protect their policyholders against. Nineteen of the 50 companies addressed consider applicants in varying degrees, while 31 will not consider an applicant who either travels by air as a passenger or who is identified with the industry.

The 19 companies which cover air travel wrote last year about 70 per cent of the total new insurance written by these 50 leading companies—a large proportion, showing the rather wide opportunity to secure life insurance open to those who fly.

With those companies that do consider such applicants the conditions vary. The general limit for issue upon aviators' lives appears to be \$10,000. Subject to certain rare exceptions, licensed pilots and other

persons who regularly fly (except stunt performers) are accepted upon certain stipulated forms of policies at varying extra premiums, up to \$25 per thousand. Only in one or two cases does the extra rate go higher than that.

With progress in good laws and regulations, good machines strictly inspected, good parachutes, rigid selection and supervision of pilots, and proper airports, it is my opinion that the fear of the unknown hazard as well as the actual and ascertained average of the present hazard will be greatly diminished. There should be no difficulty then in securing reasonable life insurance coverage at more satisfactory rates for all except those who deliberately court the extreme hazards of unusual feats in the air.

# Aviation Grows More Stable

By DENMAN CRUTTENDEN

**HOW SAFE is your money in aviation? Does this fast-growing young industry offer a field for the investor? What steps should you take to insure your investment in aviation against going into a financial tailspin? You will find the answers to these questions in this article**

**W**HAT does aviation hold for the American business man? Further, what does it hold for his money?

It's a relevant question, that latter one—for the same question of investment values arose during the early days of the automobile and railroad industries.

For answers to these questions we must first of all go back to the foundation of aviation's growth and progress—safety of passengers, pilots and cargoes.

Some flying is as safe as riding in a taxicab. Some flying is just a toss of dice with death. A few simple precautions anyone can take will prevent starting on flights obviously hazardous.

Let us suppose you are interested in a flight—and that by your sensible caution you wish to set an example in safety for more venturesome heads.

You would like a sight-seeing airplane trip. Or perhaps you want to make a speedy business journey.

Your safety in ordinary weather depends on both the skill of the pilot and the efficiency of the plane.

Look at the instrument board of the plane, in the cockpit, or on the side of the plane adjacent the cockpit or cabin door.

On a licensed plane you will see in one of these locations either a Department of Commerce card headed "License Authorization" or a metal license plate issued by the Department of Commerce. Often you will see both.

On the wings and also on the rudder of the plane should be the plane's indi-

vidual identification number, which, if a commercial passenger plane, will be preceded by the letters C or NC, as, for example, C-997 or NC-54.

By these inspections you can satisfy yourself that the craft has been certified as "airworthy."

Ask, too, if the pilot is licensed, and if so his class of license. Only transport pilots and limited commercial pilots may take up passengers for hire. Look at the pilot's license if in doubt. He must carry it always and show it to any passenger on request.

All the larger transport companies fly only licensed planes by licensed pilots—yet there are already some "large sounding" company names in aviation that operate only on a shoestring. Know your company, know its planes, know its pilots!

## A Case of Safety First

**T**HERE are unlicensed planes just as safe as licensed. There are personal friends who own planes and are skilled private pilots. But, unless you can judge a plane and know the pilot's experience, better stay with the licensed machines and men.

Why be so strict?

Because, of the mishaps occurring in 1927, only 17 per cent were in licensed planes. And only 17½ per cent were in planes flown by licensed pilots.

While pilots usually know weather risks and avoid them, money talks, and a daring pilot will often try a flight against hazards. Better wait or use train or automobile in weather that is growing foggy.

Landing in a fog is one of aviation's most hazardous feats.

Men who carry insurance may want to regulate their flying by requirements of their insurance policies. Most accident policies limit the insured to flights with accredited carriers on regularly established routes and require a special rider for even this privilege.

Life insurance is usually incontestable after one year in force—but some policies stipulate two years. Under these limits, examine the policy.

One more precaution. Find out if the pilot has made frequent take-offs and landings from that particular field, and if he knows the cruising region.

Taking these precautions will encourage safe flying—at the same time giving you peace of mind while robbing you of none of the thrills.

Turn now from the safety of yourself to the safety of your money invested in aviation. You read a few items like these:

"Airplane factories could sell twice as many planes this year if they could produce them."

"Air taxi man takes in \$441 in four hours."

"Railroads add aviation service."

Air mail exceeds all predictions. The head of the American Railway Express forecasts tremendous future for commercial aviation. Schools have long wait-



# Many Able Men Waste Years before they learn this simple lesson

**I**N a very old book named Joel, after the man who wrote it, you will find this line—"The Years that the Locust hath Eaten."

A solemn sounding line it is, full of sad significance.

The years when there were no crops, because they were destroyed by the enemies of crops. The years when men worked and made no progress; when the end of the year found them a little poorer than its beginning, because a part of their little span of life was gone and had produced no increase.

\* \* \*

In almost every life there are some fruitless years; but the tragedies occur when, year after year, men go along feeding their lives to the locust of indecision, or the locust of laziness, or the locust of too great concentration on a petty task.

In every week of every year the Alexander Hamilton Institute is brought into contact with such tragedies.

"I wish I had acted earlier"

"My experience with the Alexander Hamilton Institute leaves me only with the regret that I did not make contact with it at an earlier time," says one man.

For that regret there is no healing. The years when one might have acted, and did not; these are the years that the locust hath eaten.

"If I had enrolled with you a year or two ago, I should be better able to handle my daily problems," another says.

Many able men waste years before they learn this simple lesson—before they learn that success today is impossible without training and that the time to get that training is not next month or next year but *right now*.

**The punishment of wasted years**

This happened just the other day: A man wrote asking that someone call on him who could give him detailed information as to just how the Alexander Hamilton Institute has helped more than 358,000 men to greater success.

The representative found a man past fifty years of age, occupying a modest position in a great corporation. He sat down to explain the Institute's plan and method. And as he

*This is one of the most  
FAMOUS ADVERTISEMENTS  
ever written*

We first printed this unusual message under the title "The Years that the Locust hath Eaten" in 1919. Hundreds of successful men today are thankful that they read it. It is almost safe to say that it has created more discussion than any other advertising message the Institute has ever printed. Read it yourself; it's for every man who wants to cut the fruitless years out of his life.



talked, naming one and another who now occupy high positions, he looked across at the gray-haired man, who was plainly disturbed by emotion.

The representative of the Institute turned away his eyes; he knew what that man was thinking. His thoughts were turned back over the fields of wasted opportunity; he was plagued by the thought of the years that the locust hath eaten.

**Today you may start forward  
with 358,000 others**

You can hardly call this an advertisement about the Alexander Hamilton Institute. The facts about its Modern Business Course and

Service have been printed so many times that few men need to have them repeated.

The average man could say them almost by heart. He knows that the Institute is the institution that specializes in taking men who know only one department of business, and rounding them out into fitness for high executive tasks.

He knows that 358,000 men are proof of its strength and standing; he knows that business and educational authority of the highest standing is represented in the Advisory Council of the Alexander Hamilton Institute.

## Advisory Council

The Advisory Council consists of: GENERAL T. COLEMAN DUPONT, the well-known business executive; PERCY H. JOHNSTON, President of the great Chemical National Bank of New York; DEXTER S. KIMBALL, Dean of the College of Engineering, Cornell University; JOHN HAYS HAMMOND, the eminent consulting engineer; FREDERICK H. HURDMAN, Certified Public Accountant and business advisor; JEREMIAH W. JENKS, the internationally known statistician and economist.

This advertisement is directed to the man who knows all this, and knowing it, has let the weeks and months and years slip by—years that might have meant so much to him, and now are gone and beyond recalling; years that the locust hath eaten.

## "Forging Ahead in Business"

To such men—and to all men of earnest purpose who seek to avoid these wasted years—the Alexander Hamilton Institute comes now, asking for only one moment of firm decision—one moment in which to take the first step that can begin to turn ordinary years into great years of progress.

A book has been published for you, entitled "Forging Ahead in Business."

It is not a book for drifters; but to men who are asking themselves: "Where am I going to be five years from now?" it is offered freely and gladly without the slightest charge.

Today your copy of "Forging Ahead in Business" is waiting. Send for it now.

## Alexander Hamilton Institute

Executive Training for Business Men

IN CANADA, address the Alexander Hamilton Institute, Limited, C. P. R. Bldg., Toronto



IN ENGLAND, 67 Great Russell St., London  
IN AUSTRALIA, 11c Castlereagh St., Sydney

When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business

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Send me the new revised edition of "Forging Ahead in Business," which I may keep without charge.

Name \_\_\_\_\_  
Business \_\_\_\_\_  
Address \_\_\_\_\_  
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Position \_\_\_\_\_

Please write plainly



ing lists. Your local Chamber of Commerce is working for establishment of a local airport. Neighboring cities have ports.

Any business man can see this thing is booming. You still can get in on the ground floor!

If you haven't felt the urge to "get in early" or haven't been invited to aid aviation progress with your pocketbook, just wait—it'll come. And while waiting, for the safety of your own dollars as well as the security of real aviation progress, do some careful thinking.

### The Aviation Investment Field

**A**VIATION as a field for investment stands about as follows at the date of writing this article:

Stocks currently quoted on the New York Stock Exchange are Curtiss Aero and Wright Aero.

Those quoted on the New York Curb Market are Aero Supply, Keystone Aircraft, and Transcontinental Air Transport.

Unlisted stocks include Aeronautical Industries, American Airports Corporation, American Neon Light, Aviation Corporation of America, Claude Neon Lights, Inc., Curtiss Aeroplane, Curtiss Robinson Units, Fairchild Aviation A, Fokker Aircraft Units, Fokker Aircraft Common, Fokker Aircraft Preferred, Gates Day Aircraft, B. F. Mahoney Aircraft, National Air Transport, National Aviation, Swallow Airplane, Transportation Insurance, Transportation Indemnity, and Transportation Reinsurance.

By the time you read this other companies no doubt have invited public financing to pay for enlarged operations and equipment.

Many old and established companies in other lines are launching into phases of aviation, with resulting activity in their stocks.

Niles-Bement-Pond, Packard, Lycoming, Reo, and Velie are making motors. Gardner is making a complete plane. The Aluminum Company of America is making many fuselage parts. The American Railway Express is actively in the air express business.

Already a number of "investment trusts" of aviation stocks have been launched. If legitimate and efficient with both sound business judgment and expert technical advisers, they will diversify the risks.

Furthermore, they will conduct thoroughly and scientifically the investigations recommended here—and will go far deeper.

Be sure, however, to obtain satisfactory banking, business and technical references of any "trust," and know the men who are in it. For advice on quoted stocks, consult your bank or broker.

As regards local companies these few rules will prove valuable in gauging the speculation involved in investing in them.

If the firm is manufacturing a complete plane find out if both plane and motor will obtain Government "approved type certificate."

Will the company be able to extend

credit to dealers and help them extend credit to purchasers? (At present it is next to impossible to obtain insurance that will protect an instalment sale—hence the seller must bear the full risk.)

Has the company any by-products, such as a school or a transport business? Are they assets or liabilities?

Will the company be large enough and have enough surplus to carry on the constant experimentation toward new designs and the testing of stock products on which growth must depend?

Will original capitalization tide the company over promotion and designing expense? (It is said that a number of small companies cannot pay for motors fast enough to keep their production moving.)

Turning to transport and passenger service companies, these frequently also conduct schools or give private instruction, do special jobs like aerial photography, and have sales agencies for planes, accessories, and replacements.

Are their planes new and licensed, or if old, are they in good shape, licensed, and carried on the books at adequate depreciation? (The Department of Commerce figures depreciation of planes in club use at 50 per cent for the first six months, 25 per cent for the second six months, 15 per cent for the third six months, and 10 per cent for the fourth six months.)

Are the pilots not only licensed, but men with many extra "hours" over license requirements and with better than average records for reliability?

Does the company have airport facilities located near traffic centers? Does it own its own field or hold a reliable lease? Does the company have its own overhauling and repair facilities?

How about insurance? Are planes, pilots, property, passengers, and cargo properly covered?

Does it seem reasonable to expect a volume of air traffic in the community where the company operates? Is the company managed by men whose business record is sound?

Has the company any actual "bankable" contracts, such as air mail or express? What is the duration of these contracts?

### Altruism To Be Urged

**I**N THE case of airport companies, these may either own the land or hold it under long-term lease, or may merely operate on a lease an airport owned by someone else, usually a municipality.

Here is one phase of investment where altruism is most to be urged. Like taking stock in railroads or toll bridges, the business man may be content with fewer dividends for the sake of accomplishing a public benefit.

Not that dividends are impossible. Yet, as most fields are taking on the aspect of a public utility, it is likely voluntary limits will be set on profits. At present nearly every field is putting its profits back into improved or enlarged facilities.

But not even the man who can afford to take dividends late or never likes to

find that the fund to which he contributed will not accomplish the purpose.

Eighty acres of bare land with a few galvanized iron sheds do not constitute an airport! No port is worth launching unless it can soon qualify as a port well rated by the Department of Commerce, because air traffic will go more and more to highly rated ports, just as hard roads drew auto traffic.

A1A is the highest rating given. Such a field not only meets certain basic requirements but has ample equipment, exceptionally large landing area, and complete night lighting, including a long range beacon.

It will pay those interested in airport operation to send for bulletin No. 16 of the Department of Commerce Aeronautics Branch, which gives requirements for all classes of ratings. To attract traffic a port should be rated B3B or better.

### Cost of a Well-Rated Port

**T**HE minimum cost of a well-rated port, exclusive of the land, is about \$30,000.

Operators ought to carry airport liability insurance to protect against accidents to spectators or to near-by traffic and property.

Business men should be certain the fund will cover the construction or control of a rated field, with enough reserve for maintenance, operation, and improvement.

Even bonds of air ports should be examined with caution unless they are guaranteed by the municipality and the guarantee is pronounced legal. Special local guarantees must be valued according to the worth of the guarantors.

In addition to all the above manufacturing and operating lines, there will spring up scores of clubs, associations, and drives. Many will be legitimate. Others will be the offspring of promoters.

Examine the past records of promoters, both for ability and honesty.

Aviation deserves the same caution that the careful investor gives any new security. It is neither a sure fire bonanza nor a wildcat. Run down a definite answer to every question.

Ask your banker, a reliable broker, or some person known by you to be both honest and well-informed.

In addition, make inquiries of the Aeronautical Chamber of Commerce, 300 Madison Avenue, New York; the Chamber of Commerce of the United States, Washington, D. C.; the Department of Commerce, Aeronautics Branch, Washington, D. C.; Guggenheim Foundation, 598 Madison Avenue, New York; the editors of established aviation magazines, or your local Better Business Bureau.

As in any other business—before you invest, investigate.

Finally, will aviation be a good investment?

It should be, wherever properly managed. By its saving in time it more than offsets its higher cost as compared with other means of transportation.

Growing volume should bring decreased costs, lower rates, and greater volume.





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If one cent per ton were saved in material handling, the total saving to industry, transportation and business would exceed \$129,000,000. But the Stuebing Cowan System of Lift Trucks and Skid Platforms that keep material moving and ready to move in full man capacity loads does not stop at penny per ton savings. 10% reduction over old methods is small—30% average—45% is common. Cost records from such concerns as these prove it:

Goodyear Tire & Rubber Co.  
The American Can Company  
Dodge Manufacturing Co.  
Globe-Wernicke Company

Makes no difference what your product—whether beans, bags, bars, or bushings, there's a Stuebing Cowan Lift Truck to fit even if loads exceed ten tons. Platforms are custom built to meet requirements. And Stuebing Cowan equipment is practically unbreakable, operates easier—is 100% safe—costs far less in service. That's why seven out of ten Lift Trucks built and sold are Stuebing Cowans. Investigate! Full information on special free trial offer gladly sent on request. Write.

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337 East Court Street Cincinnati, Ohio

America should ship its goods on skid platforms N.C. Stuebing





High school potato judging teams have steadily improved the crop in the Pacific Northwest

## How the Business Man Can Work with the Farmer

By EVAN W. HALL

*Agricultural Supervisor, Chicago, Milwaukee, St. Paul & Pacific Railroad*

**F**ROM an editorial standpoint NATION'S BUSINESS is interested in 'the farmer as a business man.'

This statement by the editor of NATION'S BUSINESS appeals to those who realize that the farmer and the stockman are just as good business men as those engaged in retailing, manufacturing, railroading and other branches of industry.

We find many failures in any business, and the reason why failures in other lines than farming are not talked about as much as agricultural failures is due to the isolation of the farm as a business unit. L. H. Bailey, one of our best agricultural authorities and one of the most practical agricultural college men in the United States, has the following to say about the farmer:

"The farmer is part of his environment, matching himself into his background, perhaps unconsciously, much as a bird is matched, or a tree, or a quadruped. His plan of operation, his farm management, is an expression of his situation in nature; he has worked it out because it fits.

"He cannot shift it radically to meet the advice of any other person. As he himself develops in ability, he will modify his plan of operation so far as he can, but the plan always must fit his place in the environment; no great change is possible unless his natural conditions change; he does not make his conditions.

"The farmer exemplifies, in the human range, what the naturalist knows as 'adaptation.' His situation does not admit of compromise, and therefore it may not be understood by teachers, publicists, officials and others."

This being true why not let the farmer work out his problems without interference from outside interests. The farmer and stockman know best how to handle their problems. They appreciate the co-operation of chambers of commerce, railroads, manufacturing concerns and other organizations but do not appreciate being told how to run their own business.

The Department of Agriculture, our agricultural colleges and experiment stations have lowered the efficiency of their work by too often taking the attitude that the farmer does not know his business and must be told what he should do.

### Should Be Practical

**A**LL agricultural colleges and experiment stations should be directed by an advisory board of the successful thinking farmers of the state.

This would accomplish two things; first, keep these institutions at work on practical projects and, second, interest the farmers in the results of the work done because it would be of real value to them and be their own, as they would be directing these institutions themselves.

In our territory, we find some illustrations of how chambers of commerce and

experiment stations ask the farmers to direct their activities in cooperating with agriculture.

The Spokane Chamber of Commerce, Spokane, Wash., in line with its well organized plan of work for the development of the Inland Empire and the city of Spokane, maintains, as part of this plan, an agricultural bureau directed by W. P. Romans, agricultural secretary. This is the policy of this bureau:

"This branch of the Spokane Chamber of Commerce is not established to tell the farmers tributary to Spokane or in the Inland Empire how to manage their business or to run their farms but to help them do the things that they, the farmers, believe to be necessary for the prosperity of agriculture.

"We have the organization, the office and the men to work on problems which the farmers meet and because permanent successful agriculture is necessary to the growth of Spokane, we are willing to put time and effort and money into assisting the farmers with their problems.

"But we do not know agriculture and do not intend to tell the farmers what to do. The farmer must tell us how to help him."

This policy is getting results. In the first place, it is good psychology. It establishes the right spirit for cooperation between town and country which is generally absent because the business man too often thinks that the farmer does not



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know his business and must be told that he should milk more cows, keep more hens, raise less wheat or work harder and burn less gasoline.

### Business Helps Potato Growers

THE agricultural bureau of the Spokane Chamber has demonstrated that it means just what it says by building up the potato industry through an annual potato show at Spokane, publishing a complete list of all the growers of certified seed potatoes in Washington, Oregon, Idaho and Montana, using the influence of the organization to assist the potato growers in improving the regulations covering the growing and marketing of potatoes so that the industry could be kept on a high quality foundation.

Through the cooperation of the agricultural bureau and the retail bureau of the chamber, a better market was established for the small fruits produced near Spokane by the retailers of the city.

The agricultural bureau is ready to assist any worthy and constructive farmers' movement and each year helps *The Washington Farmer* conduct the Young Farmers Conference, an institution which has accomplished much toward having farm problems in the Inland Empire worked out by the farmers themselves.

The cooperation of farmers with an experiment station is illustrated by the relations established at Hettinger, N. Dak., between the farmers and the superintendent, C. H. Plath.

At community meetings held in the county last winter under the direction of the county agricultural agent, Mr. Plath sat in and asked the farmers to tell him what experiments should be conducted at the Hettinger Station.

### Keeps in Touch

AS IT was their station, they should direct its work so that the funds expended would be used on problems of real dollars and cents value to the farmers of the territory. If the station was to serve them as it should, they must help him by keeping in close touch with the station and its work.

The farmers have responded and call at the experiment station to go over the work with Mr. Plath.

Under this plan, the farmers will make real use of the work of the experiment station. An advisory committee of successful, thinking farmers is to be formed for the purpose of having the station activities directed by the farmers served in southwestern North Dakota and northwestern South Dakota.

If the farmers are going to make use of the work of any experiment station, they must feel that it is their own institution working on problems that must be solved to help them reduce their cost of production.

How can the farmers work out their own problems? How can they be interested in thinking out the solution of the intricate problems which they face?

The conference system of farm meetings is the most effective way of tackling this problem. It is in line with Sir Leslie Stephen's statement, "The only way in which one human being can properly attempt to influence another is the encouraging him to think for himself, instead of endeavoring to instill ready-made opinions into his head."

County agricultural agents, agricultural high school teachers, farm papers and agricultural colleges are successfully using the conference system to work out the solution for farm problems in states, counties and communities.

It is done by "encouraging the farmer to think for himself" and have confidence in his own ability as a *business man*.

within the industry and not by outside, impractical men.

With this thought in mind, the staff of *The Washington Farmer* or Farm Paper Trio at Spokane called a Young Farmers Conference at Spokane on the last Friday and Saturday in January, 1924. It was very informal and no organization was formed. These 40 young farmers discussed their problems together without set program or speakers.

This conference has grown each year until, on the same days in January, 1928, 750 farmers were registered. The sessions open promptly at ten o'clock on Friday morning and 12 groups are assigned to conference rooms in the Davenport Hotel.

The groups are divided according to commodities or local conditions. Some of the groups are as follows: dairying; wheat production in two groups, the light rainfall section of Big Bend and the Palouse section of the wheat producing area; poultry; farm home problems and fruit production.

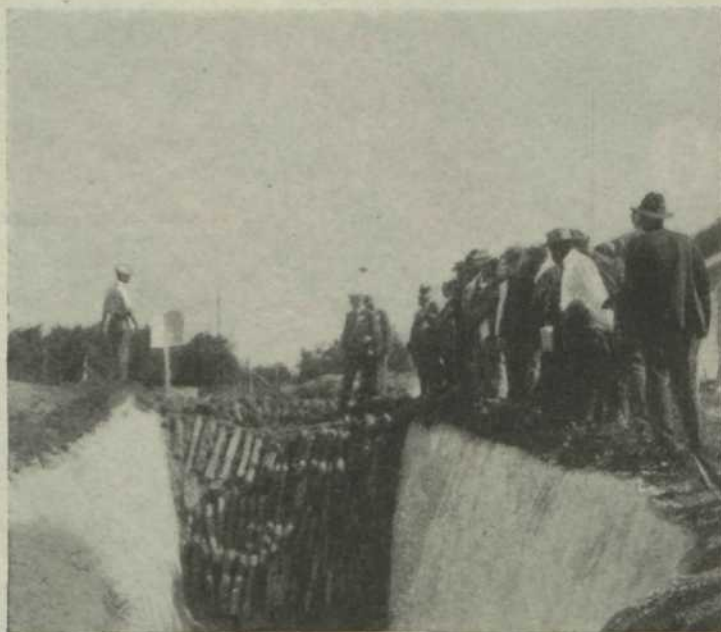
The farmers may take their choice of group. Conference leaders are chosen in advance for each group and these leaders meet two or three times before the opening of the conference to receive instructions in leading conferences.

### Think for Selves

THE methods used are worked out from practical experience in handling groups. Methods employed by the Federal Vocational Board in industrial education are used to a large extent. These methods encourage the group to think out their own problems.

The writer was group leader for the division which handled the problems of the light rainfall wheat producing section of the Big Bend in Washington. At the opening session of this group, the farmers present stated the problems which gave them the most difficulties and these problems were written on a blackboard. During the two days discussion was held to these problems, which ranged from soil tillage to marketing. Definite conclusions were worked out and much valuable experience related that could be used by the majority of those present.

The superintendent of the Lind Branch Experiment Station in eastern Washington, Otto Wanser, sat in this group during the two-day session and learned much about the farmers' problems and gave the results of experiments at the Lind station. He did not make any talk. His statements of results, given from his seat in the audi-



**NORTHWEST Farm Managers Association members are seen here inspecting a pit silo on a farm in North Dakota, native state of Evan Hall. Mr. Hall has been in county agent and similar work in the Northwest since his graduation from North Dakota Agricultural College in 1909. He knows his subject first-hand**

Self-confidence is needed by a large number of our successful farmers. They do not realize that they are more capable than any one else to deal with agricultural problems.

We, who deal with the farmer directly, must help him to realize that he has the same ability as men engaged in other lines of endeavor where the problems are being worked out by the men



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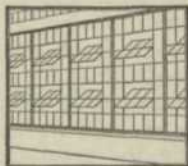
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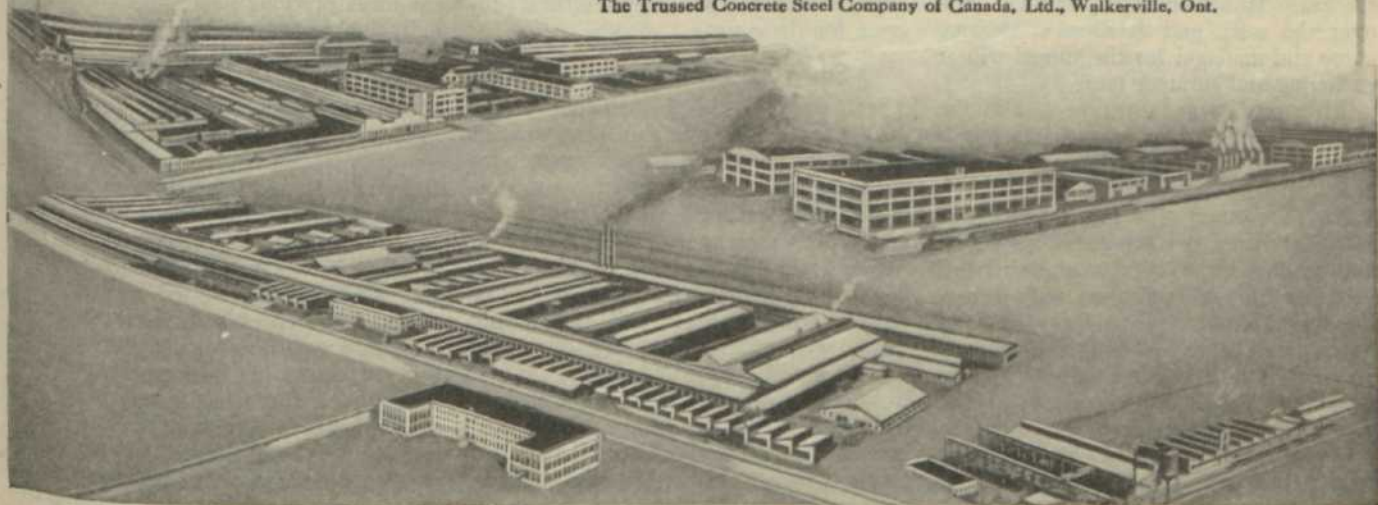


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ence" as a member of the group, were far more effective than if he had been asked to address the farmers.

When the wheat marketing problem was reached, a farmer who operates on a large scale and who had made a special study of this subject, especially in connection with the protein content, was called on to answer questions and discuss with the group his findings. He did this very effectively because his statements were not in the form of a speech but in answer to questions that the whole group was thinking about.

One of the farmers in the group told the writer after the close of the sessions that he had never attended before because he did not think the Young Farmers Conference amounted to much. This session had changed his mind and he said he would be back in 1929 and bring his neighbors with him.

The influence of the Young Farmers Conference has been noticed on the west side of the Cascades and the farmers along the Puget Sound want a Young Farmers Conference at Tacoma to handle their problems and give them a vocational forum.

All the problems cannot be solved in one or many sessions but the farmers learn to think for themselves and not listen to politicians, would-be farm leaders, or people with axes to grind.

### Work Out Own Program

**A**N OUTSTANDING example of farmers working out their own problems without set programs and long speeches or much organization is the Northwest Farm Managers Association with headquarters at Fargo, N. Dak.

This organization was started in 1908 with 12 of the farm managers who owned large holdings in the Red River Valley, Minnesota and North Dakota. They simply got together to talk over their problems and exchange ideas. A small membership fee of a dollar a year was charged to pay for postage and small items of expense in making up reports of the meetings.

The organization grew slowly. Prof. J. H. Shepperd of the North Dakota Agricultural College helped for many years as secretary and then Cap E. Miller of the Farm Management Department took over the work and acted as a clearing house and manager for the annual winter gathering and summer tour.

This organization now has in the neighborhood of two hundred members with a low membership fee. It is not top-heavy with officers or expense.

Each February, the farm managers gather at Fargo to discuss their problems and get new ideas on farm management. There is no set program with heavy speeches that put the listeners to sleep and which we so often find at farm meetings. These Northwest Farm Managers are awake and thinking because they are all taking part in the program.

One of their own number leads the discussion but he does not do all the talking by any means. They call on expert

advice when needed and *this makes expert advice effective.*

In July, the members and friends make a tour to see what is being done on the farms of the Northwest Farm Managers. The students in the farm management department at the North Dakota State College go with the party to learn from the real farmers right on the farms. They are studying to be farm managers for themselves or someone else.

In the winter class room, Cap Miller uses the findings of the Northwest Farm Managers Association, for he knows that it will hold the attention of the students as it is real and practical.

### A Valuable Organization

**I**T IS the writer's opinion that this is the most effective and valuable organization working for agricultural betterment in North Dakota. It is the farmers' own organization working on vital problems of land utilization and farm management. Its influence is felt all over the state and in eastern Minnesota as well.

County agricultural agents who are holding conferences of farmers where all take part in discussion and where expert advice is called in only when asked for to get opinions on subjects which have not come within the experience of the farmers present, state that results greater than they expected are being attained.

The writer sat in a conference of bean growers held by the county agent, Grover Lewis, at Terry, Mont., last winter and heard the farmers themselves arrange for a number of demonstrations on using selected seed in growing beans.

It would have been very hard for the county agent to have arranged such demonstrations effectively himself if the farmers in conference had not asked for them and requested some of the growers present to handle them. This county agent had four conferences last winter on beans, wheat, beef cattle and poultry. The farmers now feel that the extension work in the county is their own job and the county agent is helping them work out their problems and not telling them how to operate their business.

In Fergus County, Mont., Dan B. Noble, the county extension agent, cooperating with the farmers' community clubs, has worked out an agricultural program for the county.

### Studying Farm Economies

**F**OR the past two years, a county conference has been held in Lewistown at which committees on the different farm products have studied problems in connection with dairying, wheat, beef cattle, hogs, sheep and poultry.

Economic problems have also been handled by committees. The reports of these committees have been taken back to the community clubs for discussion and approval.

After the program has been approved by the farmers of the county, it is printed in bulletin form and sold to farmers and business men at cost. This means that the agricultural program in Fergus

County is worked out by the real farmers and more interest is aroused in new and better methods of farming than by any other method. The farmers pay for this bulletin and appreciate it.

Community clubs in Fergus County make progress reports as to what they are accomplishing toward the putting across of the agricultural program and these reports appear in the Sunday issue of the Lewistown paper. Business men in Lewistown and other towns are co-operating with the farmers in putting over the farmer's own program.

We spend much money on exhibits, agricultural trains, big farm meetings with expensive speakers and big staffs of agricultural men when the most effective work being done today is the conferences of farmers where they themselves are working out their problems and deciding how best to study and get information on the best farm practices.

The county agricultural agent and the agricultural high school men when directed by the best farmers in the county are the most effective agencies for helping the agricultural interests of any territory.

County agents sometimes make their work ineffective because they get too far away from the real problems and work on projects which interest them personally. This brings dissatisfaction with county agent work. Regular conferences with the farmers will keep the county agent on a practical, useful program and there will be little questioning as to his value to the county.

### No Panacea Obtainable

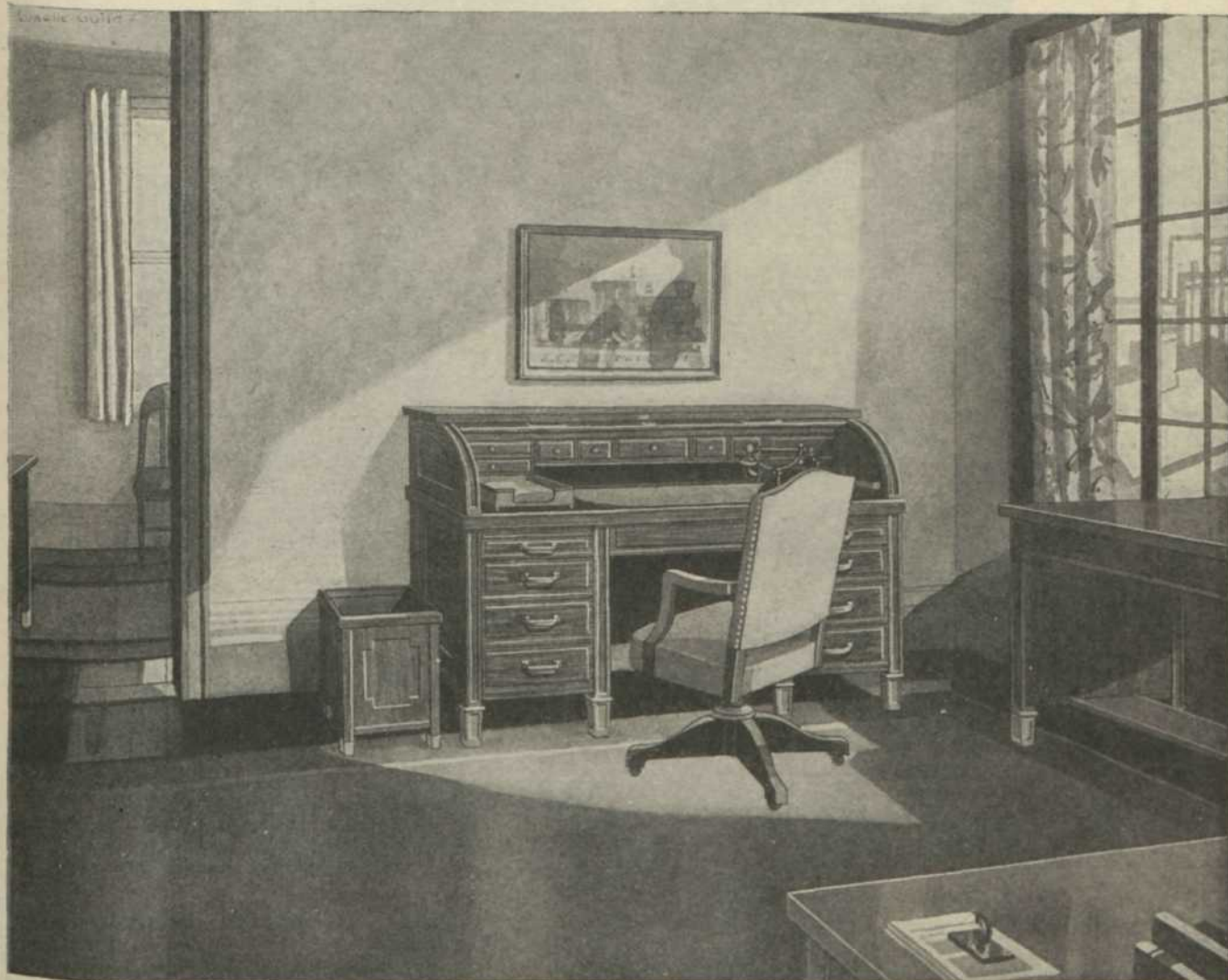
**T**HERE is no blanket solution of the agricultural problem that will cover the United States. We must be careful that legislation is not passed which will affect parts of the country adversely. Agricultural problems are vastly different in different sections of the country. Agriculture is suffering today from too much interference by organizations and individuals who do not understand the industry. We hear too much from the politician and the would-be farm leader. The real farmer must be relied on more to speak for agriculture.

It would not be right to legislate control of the farmer as it would take away the most precious possession he has, his individual initiative and his ability to fit his farm management to his conditions.

After 19 years in agricultural extension work, we have come to respect the American farmer and his ability. He is conservative above all other business men and we are thankful for this country that he is. He is the best farmer in the world and his ability has been one of the principal causes for the wonderful growth and wealth of the United States.

Those of us who are not farmers can cooperate with him but let us remember that he knows his business better than we do and is fast working out plans and adapting his farm management to meet the changing conditions. It is up to the rest of us to manage our business as well as the American farmer is managing his.





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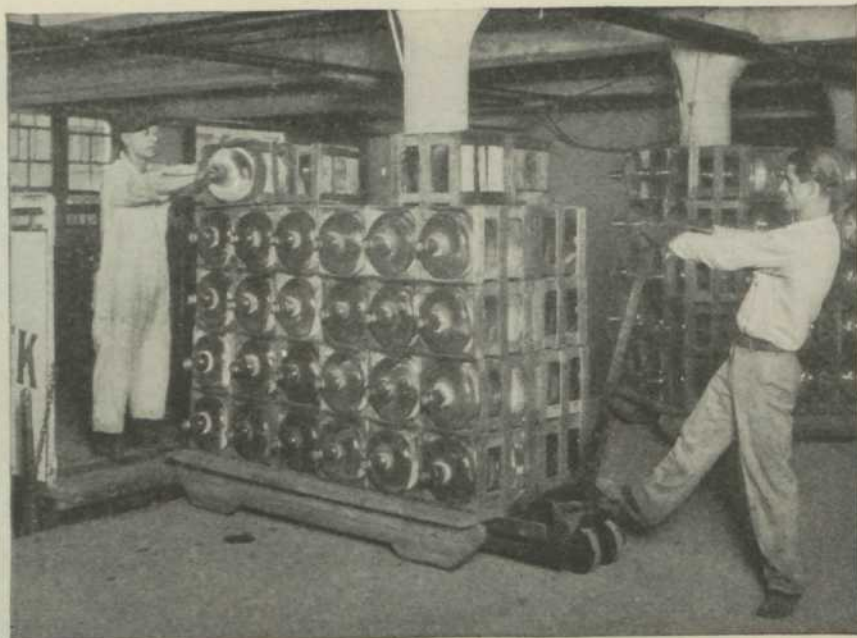
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# Cutting Costs with the Skid

An old device handles goods in a new way

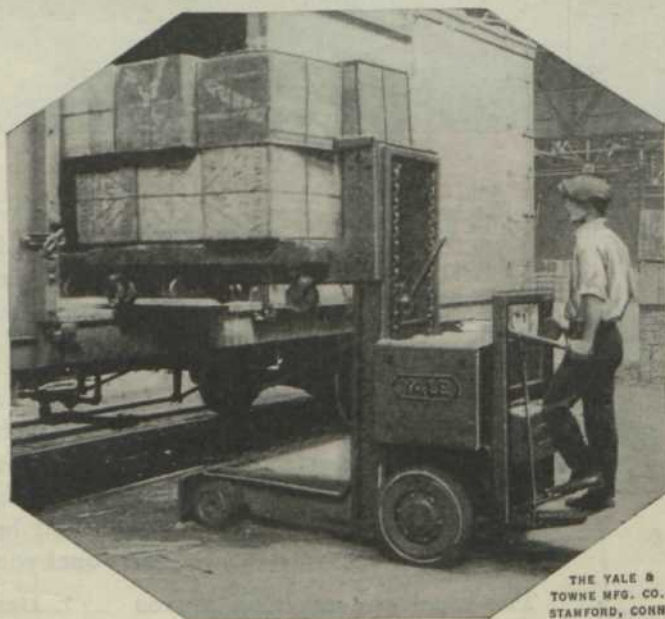
By R. L. LOCKWOOD

*Division of Simplified Practice Department of Commerce*

**T**RANSPORTATION is one of the prime necessities of civilization. Anything that saves time, money or human labor in moving objects from place to place has a direct effect on the processes of distribution. Ever since the steam engine ushered in a new industrial era, engineering and inventive genius have been largely concentrated on improving machinery and methods of production.

Only within recent years has attention been focused on the age-old problem of physical distribution. The latest development has come about through a new application of one of the oldest known transportation devices. Measured in terms of money savings, it seems likely to rank in importance with the much-discussed campaign to eliminate waste in industry.

The art, or science, of transporting goods has progressed in clearly defined steps. One of the greatest of these was taken a century ago when the railroad came into the picture. The development of the "L. C. L. container," to carry less-than-car-load freight without breaking bulk, marked another noticeable advance.



THE YALE &amp; TOWNE MFG. CO., STAMFORD, CONN.

**A NEW chapter is being added to the long history of transportation through the growing use of the skid and lift truck in the handling and shipping of goods. Employment of these devices, in their various forms, is effecting economies that no one whom the subject touches can afford to ignore**

The latest forward step has been taken within the past three years, and during the last six months of that period has become widely known as "skid shipment," meaning the shipment of goods

on skid platforms. The skid platform, commonly known as a "skid," is fundamentally the same thing as the sled or sledge used to transport goods long before wheeled vehicles had been thought of. It is simply a flat platform with runners or other supports to hold it clear of the floor. The trouble with the sled as a means of conveyance was that too much muscle power was required to move it, except over snow or ice. With the development of wheeled vehicles, the far older sled ceased to be a factor in transportation.

Had it not been for the invention of the lift truck, the sled would still be in the barn yard or behind the ex-livery stable garage. But some 40 years ago a mechanical genius conceived the idea of a four-wheeled truck which would lift its own load clear of the floor. One form of this device is the contrivance which a garage mechanic runs under the axle of a car and uses to jack the machine up.

There is no record to show who first thought of using a separate carrying platform with a lift truck. The idea is so simple that it is hard to understand why it took so long to develop. But it did develop at last, and the lowly sled



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Loads have gone up steadily, until the average skid now carries two to three tons; some carry five or six tons, and a few are built to carry as high as ten tons

came back to life, some 20 years after the lift truck first appeared. A thousand kinds of commodities can be piled on it, ranging from a single heavy machine to a few hundred gross of cough drops.

The sled, now become a "skid," will carry any of them. It has developed its job so thoroughly that more than eight million of its kind are in use today, with more than a hundred thousand lift trucks to handle them.

Loads have gone up steadily, until the average skid now carries two to three tons; some carry five or six tons, and a few as much as ten tons. The power lift truck steps in when loads, speeds, and continuity of operation get beyond the economical limit of the hand lift truck.

Until a few years ago, however, the cruising radius of a skid was no greater than that of a wheelbarrow. It did yeoman service in factories, warehouses, and freight stations. Engineers and production men constantly thought of new uses for the skid, but its radius of action was still confined to one building, or at most to one establishment.

### When the Skid Went Abroad

At last it occurred to some traffic expert in the paper business that there was no good reason why paper should not be left on the skids that carried it inside the mill, and be put into a railroad car "as was." Thus would be saved the labor of packing in boxes and using hand trucks to put them into the car, then reversing the process at the other end of the freight haul.

His company tried the plan. Having several plants, they could supply each with the same size skids and lift trucks. The plan worked. It worked so well that they began to ship even pulp and "wet lap" that way, strapping or clamping the load to the skid platform. Other paper companies took up the idea.

The results were amazing. One paper company found that two men with lift

skid platform and lift truck combination to the handling of the railroad's own stores and supplies. He selected a skid platform of such size that from 20 to 30 could be loaded on the floor of a box car, and handled by electric or hand lift trucks.

Brake shoes, journal brasses, hundreds of the endless variety of items used on a railroad, were loaded on skids as soon as they were received, and each load remained unbroken until its contents were needed for actual use.

A skid load became a unit of inventory for the company, easy to handle, simple to account for, quickly movable from

trucks could load a fifty-foot box car with paper on skids in 45 minutes. Formerly it had taken seven men three hours to load the car with paper in boxes, using hand trucks, crow bars, and rollers. The company saved more than 90 per cent in labor and 75 per cent in time on this operation.

Railroad men took notice of the emancipated skid when it ventured forth carrying its load of paper from one plant to another. A western railroad system had in its stores department an executive with unusual vision. He worked out a plan to apply the

Other railroads have tried the same plan, with similar results.

Thus began a vast change in the habits of skid platforms. The lift truck, like practically all other devices for handling materials, is still limited to use in one establishment, but the skid platform knows no such limitation. Its cruising radius embraces a continent, and more. It travels by land and sea, over the highways on motor trucks, into buildings, up and down in elevators, even through the air on a crane hook. No matter how many times it may have to be moved, its load can remain intact until it reaches its final destination, provided only that at each stopping place the proper equipment is available to handle it.

### Uniform Size Became Urgent

ONE industry after another took notice of the savings in time and labor that were being made by paper companies and railroads. But when the skid platform took to the high road and the long trail, it encountered a handicap. Goods could be shipped on skid platforms only if the consignee had lift trucks of the proper size to handle them.

During the history of the movement of goods on skids, every owner had made or bought skids of a size determined by his judgment as to what his particular conditions demanded. Why should a manufacturer of automobile axles, for example, worry about getting skid platforms the same size as those used by an automobile manufacturer 500 miles away?

But when the automobile manufacturer woke up to the fact that he was wasting money in unloading and unpack-

ing goods piecemeal and then loading them on his skids, the situation changed almost over night. The automobile man could and did demand that parts and supplies be shipped to his plant on skids that could be carried on his lift trucks directly to the production line.

Other industries took note of the results, and sent men to talk to their supply people as well as to their customers. All of which is very recent industrial history.

Successive developments fairly trod on each others' heels.

Realization of the possible savings through skid shipment brought immediate recognition of the enormous handicap caused by diversity in size.

### Like Early Railroad Troubles

THE SITUATION in this respect was almost as bad as would be that of our railroads if a consignment of goods, carelessly and expensively loaded into a car in



BAKER TRACTORS AND TRUCKS, CLEVELAND

The lift truck, like practically all devices for handling materials, is still limited to use in one establishment, but the skid knows no such limitation

one storehouse to any other on the road.

The system so inaugurated is still being expanded, but it is already saving 65 per cent in the labor cost of handling such materials as can be handled on skids. It is expected that when the installation of skids and lift trucks has been completed, there will be a reduction of one-third in the number of cars used for transporting these materials.





## The Trucks Themselves Produce the Profits

In many a business where trucks are used, the trucks are only part of the business and the money they make or lose is overlooked. But when *transportation* itself is the business, the trucks must show a profit or the business won't.

Consider the case of the National Motor Renting Company of Philadelphia. One of their contracts is general hauling and delivery for the Hygrade Food Products Corporation, an outstanding provision company of the country. They have twenty-five International Trucks on this one job alone.

Day-in and day-out, the year round, in all kinds of weather, these trucks must stay on the job

—not only stay on it, but *make money on it!* No guessing here—transportation is the business of the National Motor Renting Company and the trucks themselves produce the profits.

And there's a very sound reason. The Harvester organization builds profitable service into these trucks before they leave the factory so they'll deliver profitable service on the road. Maintenance, upkeep, cost per ton-mile—any way you figure it—*profit* is the answer with Internationals!

Whether trucking is all of your business or only part, it will be a profitable operation if you follow the example of these men who *must* know.



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# INTERNATIONAL TRUCKS

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New York for shipment to San Francisco, had to be unloaded at each junction point and reloaded into another car because the track gauges were not the same on the different roads.

Such a situation actually did exist in the early days of railroading. But the railroads got together and adopted "standard gauge" so long ago that it has come to be regarded as a law of nature. They worked out interchangeable couplers, standard clearances for bridges and tunnels, dozens of features that had formerly been thought to concern only the individual road.

#### Early Case of Standardization

**T**ODAY railroad rolling stock is for all practical purposes interchangeable in use. Locomotives are not all alike, railroad cars are not all alike, but any standard locomotive will handle any standard car of its own or any other railroad. This problem, of far greater magnitude and difficulty than that of skid and lift truck interchangeability, was successfully solved within a short time after interline shipments became necessary.

The incentive was the same in both cases—to avoid the waste and expense of breaking bulk. When each railroad was a self-contained unit, using its own locomotives and cars and connecting directly with no other railroad, interchangeability in its own equipment was all-sufficient. Similarly, so long as material handling equipment never went outside of the plant, it did not matter whether or not it would interchange with that used in other plants.

But when the skid took to the road, its usefulness for carrying goods from plant to plant was distinctly limited by lack of interchangeability in use.

As is invariably the case, the oldest kind of equipment was most diversified. The majority of skids were and still are made by owners in carpenter shop or shipping room. Lacking any recognized standards, their size was limited only by the height and width of the lift trucks selected. Over-all length and width might be anything, and usually were.

But in spite of the handicap of diversity in size, shipping of goods on skids by rail and water increased rapidly. Wherever the practice was hampered by lack of interchangeability of skids, some one usually spoke about it with much emphasis.

#### Trade Papers Took Up Fight

**D**URING the past year or two articles in trade and technical papers have described advantages gained through this new method of shipment, and have called attention to the need for recognized na-

tional standards of size for skid platforms and lift trucks. Until a few months ago, however, no general effort had been made to attack the problem.

The first definite move toward bringing the facts and possibilities into nation-wide prominence came from a successful manufacturer, a man of breadth and vision. He wrote to the Department of Commerce in Washington, outlining the situation as he saw it, and quoting figures to show that great savings could be made in distribution of commodities if the excessive diversity in equipment could be eliminated.

A survey convinced officials of the Department that the matter had not been overstated. Equipment manufacturers were sounded; shippers were asked for facts and figures; railroad stores, traffic, and engineering officials were consulted.

The opinions of every interested group were identical. Many industries recognized that conformity to national standards might mean scrapping some existing equipment, but nevertheless they favored such a move, realizing that the ultimate benefits would far exceed any temporary losses.

When the matter had thus been brought into the open, the movement toward national standardization fairly got under way.

Equipment manufacturers, engineers, large shippers, railroad, steamship, and warehouse officials met at the Depart-

There is every reason to believe that after a necessary transition period, no one will think of making or buying an odd-size skid, particularly if it is to be used to ship goods from one plant to another. It would be as useless as a railroad car built to other than standard gauge.

#### Handling Things at a Minimum

**W**ITH the handicap of diversity removed, every factory, warehouse, freight terminal, or other establishment where goods are handled in quantities will be able to reap the full benefit of the new-est transportation unit. Authoritative estimates indicate that from 300 to 400 million dollars a year can ultimately be saved in the cost of handling, packing, loading, unloading, and unpacking goods which are already being handled on skids. The most striking aspect of this reduction of the cost of handling goods is that every dollar saved is clear gain.

There are many fields in which money can be saved by new machines or methods, but where there are offsetting losses of various kinds in individuality, in convenience, in extra time or expense in some related activity. But the cost of handling materials is almost in a class by itself. Economists recognize three kinds of utility: utility of form, of place, and of time.

Manufacturing primarily creates utility of form. Transportation creates utility of place, or of time, or both. But handling materials as distinct from actually transporting them from place to place, creates no utility whatever.

During 1927 our railroads carried about 19,400,000 car loads of miscellaneous commodity freight, on which the freight charges were approximately two billion dollars.

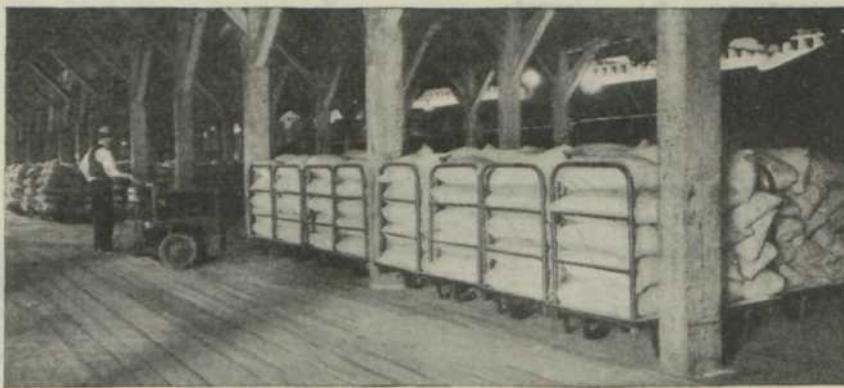
One large eastern railroad stated that on a certain class of goods, on which the average line haul was 240 miles, the freight per ton was 74 cents,

whereas the cost of loading and unloading was 75 cents each. At one terminal of the same road the latter figure was more than a dollar.

#### Produces Great Savings

**T**HE lowest saving shown in any record of the cost of handling skid shipments as compared with the cost of handling the same goods by older methods is 25 per cent, and savings in certain classes of goods range up to 90 per cent.

A saving of even ten per cent in the enormous cost of handling miscellaneous freight would lift from the country's commerce and industry, and from the ultimate consumer who must finally pay the bills, a burden considerably larger in amount than the last reduction in federal taxes.



LUCIAN C. BROWN CO., N. Y.

The warehouse is only one of the places where the skid platform is proving its worth. This photograph shows how the handling of flour is expedited

ment of Commerce on June 6, 1928, to consider the whole subject of simplified methods of handling goods. The necessary committee machinery was set up and within less than a month after the first conference, full agreement had been reached on the first step.

Two standard clearance heights above the floor, and one standard clearance width between runners or supports, were recommended as national standards for skid platforms.

No attempt was made to standardize details of engineering design, quality, or performance. Individuality in such features should be maintained, it was considered, and its maintenance could be safely left to the initiative of manufacturers. The ideal sought was interchangeability in use, not duplication in details.



# A N E N G I N E E R I N G P R O C L A M A T I O N

WE ARE LIVING in a shipping age unparalleled in our history. More tonnage is being handled through American Ports and Terminals than ever before in the history of this country. Obviously then dock construction has risen to become an engineering study of paramount importance in America.

THE DOCK AND TERMINAL ENGINEERING COMPANY has been ever cognizant of the need of better, speedier and more economical movement of raw materials and finished merchandise from land to water and back to land.

Always maintaining leadership, THE DOCK AND TERMINAL ENGINEERING COMPANY has fostered, developed and extended the use of the *reinforced concrete dock*. The Ferguson Patent No. 1,089,405 covering the basic principle of *reinforced concrete dock* construction, is in the exclusive ownership of this company. This patent is of wide scope and covers the greatest development in dock construction in all shipping history. The Federal Courts have repeatedly confirmed its validity and good standing.

Many shipping companies and municipalities are already enjoying the advantages of this type of dock. Some of the docks now in use have been built by licensees, some under our own direction as engineers, and unfortunately some have been built without our consultation or reference to the Ferguson Patent.

Ever mindful of the advanced ideas embodied in this modern, economical, *patented construction* THE DOCK AND TERMINAL ENGINEERING COMPANY welcomes negotiations with shipping companies and municipalities whose present dock construction or planned development, comes within the scope of the Ferguson Patent.

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Cleveland

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# The Short Session of Congress

By FRED DEWITT SHELTON

**T**HE concluding congressional session of the Coolidge administration started its work December 3, with prompt attention to the annual appropriation bills which had been given early consideration by the House Committee on Appropriations. The President's budget calls for total appropriations of \$4,417,000,000, which is \$89,000,000 more than the estimated expenditures for the current year.

Last Summer the Bureau of the Budget expressed the fear that there might be a deficit of about \$94,000,000 at the end of this fiscal year. Now the President's budget points to some \$37,000,000 to spare. For the fiscal year ending June 30, 1930, a surplus of \$60,000,000 is indicated. That, however, does not mean tax reduction for some time to come.

## The Party Line-Up

THE partisan alignment will not be materially changed by the recent election results, since the newly elected Congress does not begin its term until March. The Republicans in the Senate have new recruits in Senator Larrazola, of New Mexico; Senator Glenn, of Illinois; Senator Thomas, of Idaho, and Senator Burton, of Ohio, making the line-up 49 Republicans, 45 Democrats and one Farmer-Laborite. Senator-elect Vare, of Pennsylvania, is still awaiting a decision as to his contested seat.

An organization problem facing the Senate majority is the choice of leader to take the place of Vice-President-elect Curtis, who may retire about the first of the year.

The Republican majority in the House is 42, a comfortable working margin.

## A New Tariff Act

THE tedious process of making a new tariff law will begin January 7, when the Ways and Means Committee of the House starts hearings. There will be much tariff talk from now on, but enactment of a bill is not to be expected before the regular 1929-30 long session of Congress.

Hearings scheduled are as follows: Chemicals, oils and paints, January 7, 8, and 9; earthenware, glassware, January 10 and 11; metals and manufactures, January 14, 15, and 16; wood and its manufactures, January 17 and 18; sugar, molasses and their manufactures, January 21 and 22; tobacco and its manufactures, January 23; agricultural products and provisions, January 24, 25, and 26; spirits, wines and other beverages, January 29; cotton and its manufactures, January 30, 31 and February 1; flax, hemp, jute and their manufactures, February 4 and 5; wool and its manufactures, February 6, 7, and 8; silk and silk goods, February 11 and 12; papers and

books, February 13 and 14; sundries, February 15, 18, and 19; free list, February 20, 21, and 22; and administrative miscellaneous, February 25.

## Commission Merchants

THE Senate has on its calendar a bill by Senator Borah to require licensing of commission merchants who engage in interstate commerce in perishable commodities. It has the approval of the Department of Agriculture.

## Packers and Stockyards

RENEWED attention will be given to the extension of federal regulation to private stockyards, now exempt under the statute requiring regulation of public stockyards. Hearings on the pending bill were held by the House Committee on Agriculture early in the session.

## Farm Legislation

THE equalization fee proposal seems to be dead.

Congressmen may be classed in two groups, those who want to pass agricultural legislation promptly before this Congress expires, and those who want an extra session of Congress after March 4, one that will go into the whole subject extensively. The result may be that certain proposals may be put into effect during the present session of Congress, leaving other subjects on the calendar for an extra session or the next regular session.

One cogent reason for deferring action is the prospect that farm legislation will be tied up with a general revision of the tariff laws.

The Ketcham bill to authorize agricultural representatives abroad of the Department of Agriculture was passed by the House in the last session. It has been reported by the Senate Committee on Agriculture and stands a fair chance of becoming law.

## Railroad Legislation

THE bill in Congress to authorize voluntary consolidation of railways might well be enacted if the leaders in both branches should put their full influence back of it. This is the Fess-Parker bill which in various forms has run the gamut of several Congresses. In its present form it seems to have met virtually all of the stock objections which in the past have retarded progress of the bill. It is a complicated subject, however, and Congress seems disinclined to commit itself on the issues involved until there is a strong expression of public sentiment in favor of the bill.

While consolidation is the principal railway subject having a place on the dockets of both branches of Congress

during this session, there are many other railway and transportation subjects of great national importance which are likely to be discussed.

The question of legislative rate making is to figure prominently. Last session the Senate declined to confirm the reappointment to the Interstate Commerce Commission of a man who had voted for a rate decision which proved unpopular in some sections. Another Commissioner having a similar record may be up for reappointment soon.

If the Senate insists on using its powers of confirmation to influence rate decisions of the Interstate Commerce Commission there will come a new era which will greatly affect the railways of the country as well as the shippers.

While legislation is not to be expected in the immediate future, there is bound to be agitation for repeal of the Hoch-Smith resolution under which the Interstate Commerce Commission has proceeded to revise freight rates in a way to affect drastically certain industries, sections, and also railway earnings. Congress intended to bestow benefits on agriculture but the ramifications have proved so far-reaching that it may become necessary to amend the legislation.

Rate making by Congress also is involved in the bill to remove the Pullman surcharge. The Senate has passed such a bill on three occasions. It has been favorably reported from committee in this Congress.

There may also be proposals for modifying the Railway Labor Act.

## Merchant Marine

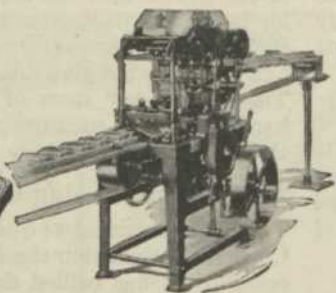
IN THE field of ocean shipping the question of greatest importance before Congress is the proposal for legislation to provide for uniform ocean bills of lading. A bill considered suitable to various American interests involved has been prepared and introduced in both branches of Congress.

The Shipping Board, in addition to urging legislation on ocean bills of lading, advocates codification of navigation laws, regulation of load-lines of American ships, certain tax exemptions for American ships engaged in foreign trade, use of private vessels for Army and Navy transport services, and funds for putting into effect the naval reserve provisions of the Merchant Marine Act of 1928.

## Construction Fund

THE Senate Committee on Education and Labor has before it a bill to provide a reserve fund for public construction work to take up the employment slack in periods of business depression. This plan in various forms has been before Congress since 1922, having been fostered





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by President Harding's unemployment conference. There is a disposition to give it greater consideration now than in the past due to the endorsement of the idea by President-elect Hoover.

### Antitrust Laws

THE current talk about abolishing or re-vamping the Sherman antitrust law is not likely to result immediately in any drastic change in present statutes. There is a drift toward further governmental control of business units rather than less. Any weakening of antitrust restrictions in the original conception is pretty sure to be accompanied by new powers of the Government to police business conduct.

### Muscle Shoals

MUSCLE Shoals, on which Congress passed a bill last Spring and which President Coolidge vetoed, may come up again. Senator Norris, of Nebraska, prime advocate of the proposed legislation, indicates his belief that the courts will rule the pocket veto ineffective, thereby validating the act. My guess would be that if anything is done on Muscle Shoals it will be a different bill from the one that was vetoed.

### Public Works

THE reorganization of public works activities of the Federal Government, placing them in the Department of Interior, is proposed in the Wyant bill in the House. Hearings have been held and the bill may be reported from committee.

### World Court

ANNOUNCEMENT that President Coolidge will do what he can to bring about acceptance by other governments of the American reservations to the resolution of adherence to the World Court apparently will preclude consideration by

the Senate of the Gillett resolution, which had that particular objective. Previously plans had been made to press the Gillett resolution.

### Columbia River Basin

A COMING issue is the move to irrigate some 1,800,000 acres in the Columbia River basin. Bills looking to that end have been reported in both branches of Congress.

### Cuban Parcel Post

AMERICAN exporters in all parts of the country are giving testimony that their trade with Cuba is seriously retarded because of the termination last March of the parcel post convention with Cuba. This fact may give impetus to passage of the Watson bill, reported to the House, which would remove American restrictions now the cause of Cuba's refusal to negotiate a parcel post convention whereby American goods can be sent by post.

### Munitions Manufacture

BILLS are pending in the Senate and House to authorize "educational" orders for munitions. The purpose is to give manufacturers peace-time practice in the manufacture of munitions. The War Department regards adoption of this plan as essential to industrial preparation against war.

### Immigration

THE House Committee on Immigration got an early start by meeting in November to look into the question of legislation to curb immigration from Mexico. Heretofore, such proposals have not got past the committee stage. It is believed that the Mexican quota law would be passed if brought to a vote.

Other immigration proposals involve repeal of the national origins provision

of the Act of 1924 and also the demand for legislation to legalize entry of aliens who came to this country prior to 1921 but who were not given records of entry. There are many cases of injustice and hardship due to such unrecorded entries that can be corrected by legislation.

### Reapportioning Congress

THE constitutional requirement that Congress reapportion the House of Representatives has baffled that body since 1920. No state is willing to reduce its number of representatives and yet the sentiment exists that the total number of Congressmen should not be increased. The pending Fenn bill would provide for automatic reapportionment after each census on the basis of the present membership of 435. This bill failed of passage in the House during the last session by 22 votes but a compromise is now possible whereby the bill would pass with the total membership slightly increased.

### Other Measures

WITHOUT elaborating on bills written about a month ago in this magazine, it may be worth while merely to list a number of other proposals pending on the Congressional docket. A partial list includes:

The \$274,000,000 naval cruiser bill.

A new rivers and harbors bill.

Provision for census of 1930 including a census of distribution factors.

The familiar Kelly-Capper resale price maintenance bill.

Permission to states for more latitude in taxing shares of national banks.

Federal regulation of the bituminous coal industry.

The Norris bill to deprive federal courts of jurisdiction of cases based on diversity of citizenship.

Federal regulation of motor bus lines.

## Coal in a World of Change

By WARREN BISHOP

**G**IVE a scientist a lump of coal and access to air and water and he can make almost anything.

Gasoline? Easily. Germany is now making 70,000 tons of gasoline a year from coal and will soon make 250,000.

Rubber? Certainly. Dr. Fritz Hofmann of the Coal Research Institute of the Kaiser Wilhelm Company, Breslau, Germany, will make rubber for you, not very usable rubber as yet, but still rubber and capable of betterment.

Soap? Dr. Carl Krauch of the German Dye Trust has produced fatty acids from paraffin which was obtained in the distillation of coal and of them he says: "In the judgment of soap experts they stand comparison with good fatty acids

derived from natural fats." These are suggestions of work that chemists are doing in finding new uses for coal.

They are the quick flashes that came to a layman's mind as he looked over and listened to the program of the second International Conference on Bituminous Coal, held in Pittsburgh in November under the auspices of the Carnegie Institute of Technology.

And if our magicians of the test tube and the retort can do these and a hundred other things with coal, why can't they make coal from other things? They can, if anyone wants it done. Dr. Friedrich Bergius has made coal from cellulose and Dr. Walter Bittman of Carnegie Tech is making coal from petroleum.

But beyond these dazzling things that

leap from such a meeting as this International Conference comes this question to a business paper. We can do all these things with coal, but can we do them profitably and will they offer new markets for soft coal that will be of real value to that tremendous industry?

Well, here's one fact that stands out: In 1926, at the first International Conference, Dr. Bergius announced his process for making gasoline from coal. It was then an experiment. The first big oven was started in April, 1927. Now 70,000 tons of gasoline are being made in this fashion, of which 40,000 come from coal. By the end of 1929 production is expected to rise to 250,000 tons of readily saleable gasoline.

There we have a straight commercial





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*It was for this express purpose that General Motors acquired not only the plant and properties of the Fleetwood Body Corporation but also the services of those Fleetwood craftsmen whose affectionate labor—inspired by the ideals and traditions of generations of Fleetwood master artisans—has for long years produced special custom bodies surpassing anything else the world has to offer.*

*In the production of these de luxe Cadillac-La Salle Fleetwoods the purchaser may avail himself at any time of the counsel of professional motor coach designers who aid him precisely as the architect and interior decorator advise him in the construction, decoration and furnishing of his home.*

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development of a process which less than three years ago was an interesting scientific experiment.

But making gasoline is nothing from which our American coal industry can take comfort. So long as petroleum is as cheap and plentiful in the United States as it is now or until the cost of making gasoline from soft coal is greatly reduced, the coal industry will not find new markets along that line.

But the Coal Conference did not concern itself alone with what can be done in the way of new markets for coal. It faced frankly and discussed clearly the present situation of the coal industry here and abroad.

Coal as an industry is affected by the fact that the more we know of it the less we use of it to accomplish a given purpose. A striking setting forth of the situation was given by F. G. Tryon, of the Government Bureau of Mines. There lies before me a copy of some charts he displayed which tells a sad story of coal.

### Coal Economy

**P**RODUCTION of soft coal from 1899 to 1919 shot up at a rate of 16,800,000 tons a year. Since then it has practically stood still. If the trend had continued, this country would have consumed in 1927 roughly 180,000,000 tons more than it did. It would have used say 680,000,000 tons instead of 520,000,000. And we haven't stinted ourselves. But to produce a kilowatt hour of power in public utilities we now use less than two pounds of coal where 25 years ago we used six.

Take the railroad. If we take passenger train car miles and revenue ton miles of freight we can figure out a transportation unit which has climbed for 20 years while the number of pounds of coal used to a transportation unit has gone down from about 550 to less than 400.

Here is a situation in extracts from a paper on coal consumption by Arthur D. Little and R. V. Kleinschmidt:

In spite of a normal expansion in industry and in the use of power, the consumption of bituminous coal in the United States has shown practically no increase since 1918. This situation presents a problem of vital concern, not only to coal operators and dealers but to some 600,000 miners and their families who are entirely dependent on the industry for their living. Nor is the significance of this fact confined to the United States. Conditions in a country which produces half of the world's total supply of coal cannot fail to influence the industry in other countries.

The same factors which are largely responsible for decreased consumption in this country are operating to some extent all

over the world. We are dealing, therefore, with a problem of international significance. Three factors that have checked the expansion of the bituminous coal industry are:

1. Competition of other sources of heat and power, particularly oil, natural gas, and water power.

2. Increased efficiency of utilization of coal.

3. A change in the character of our manufactured products and of our habits of life.

The producers of bituminous coal must base their hopes of an expanding market upon efforts to develop, through research, new uses for their product. They have, as

asset. There was a time not many years ago when a famine in the supply of gold for the world was prophesied, but new gold fields have been discovered, new and more scientific processes for the separation of the precious metals from the ore have been discovered.

So in the case of coal. He would be a bold man who would estimate within some thousands of millions of tons the coal reserves of Great Britain. He would be a bolder man who would estimate within some billions of tons the coal reserves of the world.

Coal remains a basic national advantage of those countries which have ample reserves. Its national advantage would be greatly increased and the first fruits of its new effect upon other industries would be hastened if the coal industry could only bring itself into line with modern commercial, scientific, economic and administrative development.

But not coal—nor in truth any other industry—can sleep in peace these days. I have saved for the last the most dramatic, the most sensational and perhaps the most fantastic of the proposals that might effect the future of coal. It was Georges Claude, the French inventor, who told briefly of his work in developing of thermic energy from the differences in temperature of sea water.

He had, he said, demonstrated at Ougree, in Belgium that a "turbine of 60 kilowatts was successfully moved at 6,000 revolutions a minute." Next, he said:

I plan to have my Ougree plant transported to Cuba, where these ideas have met with the best welcome, and to connect this plant with the deep waters by a convenient pipe as soon as I have ascertained the submarine current, temperatures and depth conditions in the vicinity of Havana, which I am now doing.

After that I shall probably be able in measure to pass to the realization of the first of our industrial plants, which shall be a 12,000 kilowatt one.

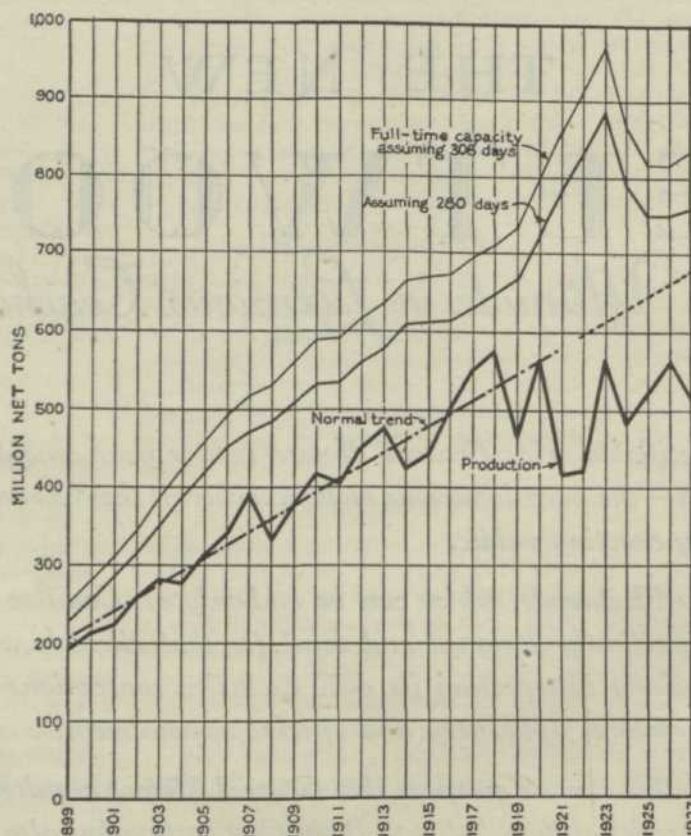
A dream? Yes, but what are dreams to a world that is seeing pictures sent over the air through walls?

### Some Notes on the Conference

**I**T IS an old complaint against Americans, and American business men in particular, that they do not bother to learn foreign languages.

Whether or not the complaint is justified it was interesting to listen to the foreign delegates at the dinner given in their honor by President Thomas S. Baker, of Carnegie Tech. One after the other they were called upon for a few words and with two exceptions each

(Continued on page 84)



Bituminous coal production increased 16,800,000 tons a year from 1899 to 1919, according to Prof. E. E. Day's studies for the Harvard Economic Service. Since 1919 no increase has been made. In the diagram Day's line of "normal trend" for the period of 1919 has been projected to show the striking change in the line of actual production. Capacity increased as demand fell off so that a readjustment became inevitable

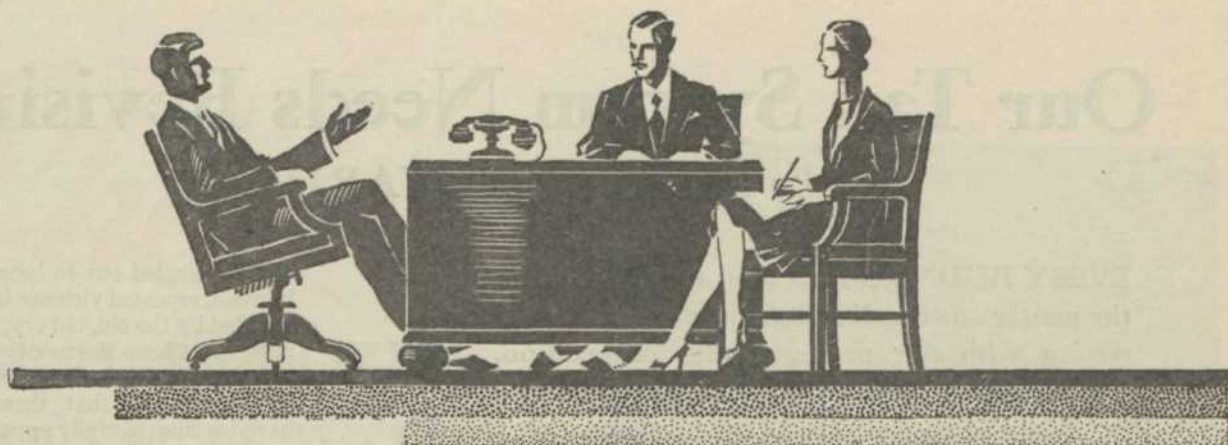
yet, little of such effort to their credit. They have left to others those investigations which, as the papers presented to this Conference and its predecessor demonstrate impressively, have raised coal to the rank of a chemical raw material with inherent possibilities of extraordinary range and promise.

Already it is recognized as a potential source of oils and motor fuels, alcohols, organic acids, special solvents and a bewildering variety of useful carbon compounds.

Lord Melchett, the Sir Alfred Mond, leader of the British chemical industries, sounded the same note internationally when he said:

When all is said and done coal must remain the basic source of fuel and power for many generations to come. Its reserves are ample. Coal mines may be a wasting asset but any natural product which does not return its yearly yield is equally a wasting





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Shift in it from side to side. If it is a swivel type, tilt far back in it . . . swing it around. Notice its comfort under all conditions . . . *and its complete absence of squeaky joints.*

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# ALUMINUM OFFICE CHAIRS



# Our Tax System Needs Revising

By MORRIS EDWARDS

EVERY BUSINESS man who has given thought to the matter must realize that there is something vitally wrong with our present order of taxation. Just what is this weakness and what can we do to correct it? Here is an analysis of the situation that should do much to clear the statistical fogs that envelop it, and here also is offered a suggestion for a solution

LITTLE more than a glance at the airports and the double-decked streets, the expanding educational facilities and the comprehensive social welfare projects of the near future is necessary to envisage a government of such costliness that the United States, whether it chooses or not, will be compelled to forge a modern substitute for its system of taxation.

Conceived amid social and economic conditions radically different from those of the twentieth century, the present structure is creaking under the load placed upon it. It is a thing of little rhyme or reason; a welter of unrelated taxes and miscellaneous sources of revenue, an ungainly composite of the higgledy-piggledy plans and expedients of 48 state legislatures and tens of thousands of city councils and county boards, cover-

ing an era of swift changes in the life and habits of the people, forms of wealth, and volume of public expenditures.

Everywhere are the system's shortcomings manifest. The states, impelled to action by growing budgets, are constantly searching out sources of new revenue. Each year the local governments shunt fresh burdens upon the general property tax, resort increasingly to special assessments, and single out occupations and businesses for special taxation.

## Duplicate Taxation the Habit

Duplicate taxation becomes the habit in a situation in which there is little more than a semblance of coordination of revenue policies between the nation and the states, between the states and their local subdivisions and among the states themselves. Easy sources of reve-

nue are singled out to bear ever greater burdens, repeated violence to equity being justified by the old, old cry, "The government must have the money!"

It has been with the growth of the cost of government that these phenomena have become painfully apparent and have engaged the attention of business men who are no longer disposed to dismiss taxes from their thoughts as irksome but unavoidable. When taxes were small, the relative amounts paid by various tax-paying elements were of little consequence.

## In the "Good Old Days"

WHEN new revenue was needed only to provide a hitching post on the courthouse square, the exact source of the money was of no serious concern. Public funds were raised from the easiest and most obvious sources.

The "most feathers with the least squawk" theory worked at least well enough to avoid indictment.

Now, however, the sums are more significant. The courthouse hitching post has its modern counterpart in huge downtown parking spaces at so much per square foot. Throwing a couple of loads of gravel into an offending mudhole once sufficed to provide passable roads; now traffic compels concrete thoroughfares at

## SOURCES AND AMOUNTS OF REVENUE

Of Federal, State, and Local Governments

Taxes	Federal	State	Local <sup>1</sup>	Total
Taxes: On income.....	\$1,761,659,049	\$27,535,105	\$72,160,017	\$1,861,354,171
On general property .....	.....	358,601,933	3,514,479,150	3,873,081,083
On business.....	247,258,938	336,519,287	182,747,169	766,525,394
On consumption.....	425,519,635	286,063,504	34,421,963	754,821,309
On privilege.....	46,068,399	12,874,376	61,980,000	112,106,568
On inheritances.....	108,939,896	85,894,069	3,732,984	198,566,949
Customs duties.....	548,521,795	.....	.....	548,521,795
Assessments for benefits and services.....	24,637,944	31,175,676	405,564,229	461,377,849
Fines and forfeits.....	11,864,378	7,314,116	39,082,153	58,260,647
Subventions and gifts.....	6,366,351	129,496,200	237,291,651	373,154,202
Trust funds.....	83,839,655	13,995,479	42,688,879	140,524,013
Rent.....	10,530,290	11,044,051	47,148,963	68,723,304
Interest.....	178,137,149	55,900,452	162,255,746	396,293,347
Sale of property.....	218,045,281	.....	.....	218,045,281
Earnings of departments....	55,693,163	118,731,659	146,803,831	321,228,653
Earnings of public service enterprises.....	24,908,525	10,096,333	567,036,199	602,041,057
Miscellaneous receipts.....	29,345,505	.....	.....	29,345,505
Totals.....	\$3,781,335,953	\$1,485,242,240	\$5,517,392,934 <sup>1</sup>	10,783,971,127

<sup>1</sup> Local government revenues estimated.

This table, prepared especially for Nation's Business, represents the first compilation of data covering federal, state and local governments that has ever been assembled in related form. Numerous and authentic sources were studied in its preparation.



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\$28,000 a mile. New relationships as well as growing expenditures have their part in focussing public attention upon governmental revenues. The relative burdens upon the several taxpaying elements are commanding closer scrutiny because taxes are a far-reaching factor in fields where once they were inconsequential. America is achieving an economic unity which makes it a vital concern to a manufacturer in Hoboken if his taxes are substantially greater per unit of output than those of a competitor in St. Louis. It also should be of concern to the city itself, but is it?

Tax maladjustments between cities, states, or sections of the country can throw up artificial obstacles to normal industrial and commercial enterprise which have an effect similar to customs barriers.

In fact, one corporation considered shutting down one of its several plants because local tax inequalities were boosting its production costs too high. It could better transfer the production to its other units.

With such relationships already existing, more orderly and equitable distribution of the tax burden is a paramount necessity to the conduct of business if delicate balances are not to be disarranged or complications produced.

What are the characteristics of the present system?

Who pays the taxes? The taxpayers, of course; but who are the taxpayers?

From what sources are the various units of government financing their expanding enterprises?

Are those sources sufficiently diversified to achieve any substantial equity?

At the same time, are they sufficiently centralized to permit economical collection of taxes?

### A Curious Characteristic

ONE of the most curious characteristics, the fact that little is known of the present muddled state of affairs, perhaps is demonstrated best by the complete absence of correlated statistics from which conclusions may be drawn and upon which suggestions for improvement may be based.

In the absence of such necessary information, data gathered from a variety of sources is presented in the accompanying tables.

One table sets forth estimates of the total revenues, exclusive of borrowings,

## SOURCES OF \$100 OF REVENUE

### Of Federal, State and Local Governments

	Federal	State	Local <sup>1</sup>	Total
<b>Taxes: On income.....</b>	<b>\$16.33</b>	<b>\$ .26</b>	<b>\$ .67</b>	<b>\$17.26</b>
On general property.....	.....	3.32	32.60	35.92
On business.....	2.29	3.12	1.69	7.10
On consumption.....	3.95	2.65	.32	7.00
On privilege.....	.43	.12	.57	1.04
On inheritances.....	1.01	.80	.03	1.84
Customs duties.....	5.09	....	....	5.09
Assessments for benefits and services..	.23	.29	3.76	4.28
Fines and forfeits.....	.11	.07	.36	.54
Subventions and gifts.....	.06	1.20	2.20	3.46
Trust funds.....	.78	.13	.40	1.31
Rent.....	.10	.10	.44	.64
Interest.....	1.65	.52	1.50	3.67
Sale of property.....	2.02	....	....	2.02
Earnings of departments.....	.52	1.10	1.36	2.98
Earnings of public service enterprises	.23	.09	5.26	5.58
Miscellaneous receipts.....	.27	....	....	.27
<b>Totals .....</b>	<b>\$35.07</b>	<b>\$13.77</b>	<b>\$51.16<sup>1</sup></b>	<b>\$100.00</b>

<sup>1</sup>Local government revenues estimated.

The totals of governmental revenues, as shown in the table on page 70, are reduced in this table to proportionate parts of \$100. This table, also prepared especially for Nation's Business, is unique in that it provides the first instance in which these quantities have been so related as to provide a bird's-eye view of the system by which all units of government—federal, state and local—obtain their revenue

of all units of government in 1925, the latest year for which figures are available.

The other is intended to relate these amounts, one to another, by showing the proportion of each \$100 produced by each source.

### Some Significant Facts

THESE tables provide a glimpse of the facts as to who it is that pays the taxes. If they are complicated, it is because the tax system itself has that characteristic.

If certain taxpaying elements appear to be contributing more than once, it is because that actually is the case.

Among the highly significant facts that these tables indicate, the following might be enumerated:

1. The largest source of public revenue is the general property tax, which produced nearly four billion dollars, or \$35.92 of each \$100 raised.

2. The second largest source is the tax on incomes, relied upon heavily by the Federal Government, which produced nearly two billion dollars, or \$17.26 of each \$100 raised.

3. Taxes, as distinguished from income from other sources, produced more than seven and one-half billion dollars, or \$70.16 of each \$100 raised.

4. Taxes on income, property, inheritances, and various businesses are each being used to provide revenue for two or even all three of the main divisions of government.

5. More than one-half of the revenues are raised for local governments, roughly one-third for the Federal Government and less than one-seventh for the states.

6. Five and one-half cents of each

public dollar comes from the public operation of public service enterprises, many of them in direct or indirect competition with private business.

The bearing of this hybrid system of taxation upon business is illustrated with greater clarity if some of the lump-sum items are broken down into their constituent parts.

The item of federal income tax revenue represents collections of \$916,233,697 from corporations and \$845,426,352 from individuals, with a substantial part of the latter sum indirectly traceable as collections taken from business.

The principal industrial divisions making corporation income tax payments were as follows:

Agriculture .....	\$ 6,708,000
Mining and Quarrying.....	42,900,000
Manufacturing .....	425,880,000
Construction .....	13,650,000
Public Utilities .....	145,080,000
Trade .....	113,100,000
Professions .....	21,840,000
Financial Institutions .....	140,400,000
Other divisions .....	1,771,000

The items comprising the \$247,258,938 of federal taxes on business were:

Special taxes on manufactures (principally automobiles)....	\$130,382,391
Oleomargarine .....	3,038,928
Corporation and capital stock taxes .....	90,002,595
Occupational taxes.....	5,811,558
Miscellaneous .....	18,023,466

Total .....

State taxes on business, in addition to property and income taxes, included:

Business and other corporation stock taxes.....	\$ 66,807,141
Taxes on savings banks.....	8,226,264
Insurance premiums.....	72,839,721
Licenses .....	140,984,977
All others.....	45,661,184

Total .....


The federal taxes on consumption, almost entirely collected through the medium of business agencies, included:

Tobacco .....	\$345,247,211
Spirits .....	25,902,820
Fermented liquors .....	1,954
Sales .....	10,494,935
Playing cards .....	3,183,384
Narcotics .....	1,000,933
Theater admissions .....	30,907,809
Club dues .....	8,690,588

Total .....

State consumption taxes represented the growing contributions by automobile





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owners, \$198,710,310 by way of licenses on motor vehicles and \$87,353,194 from taxes on motor fuel, making a total of \$286,063,504.

Some of the principal sources of customs revenue, another source of a business nature, were:

Sugar .....	\$136,000,000
Sundries .....	86,000,000
Wool .....	62,000,000
Metals .....	47,000,000
Farm products .....	60,000,000
Tobacco .....	33,000,000
Chemicals .....	25,000,000
Flax, hemp, etc.....	26,000,000

The bulk of the local revenue estimated to have come from the operation of public service enterprises may be attributed to water systems, which earned \$347,376,933. Estimates of other local income from public service enterprises included:

Electric light and power.....	\$68,592,862
Gas plants.....	15,715,708
Municipal markets.....	7,594,067
Docks and wharves.....	29,711,996
Cemeteries .....	4,438,390
Meeting halls .....	1,654,725
Street railways.....	78,639,028

Inheritance taxes were collected by 45 states, an undetermined portion of the \$85,894,069 revenue representing taxation by several jurisdictions of intangible personal property in the same estates. Even though the Federal Government granted somewhat more generous exemptions to relatively small estates, it received more money from this source than did the states using this tax. Inheritance taxes received by local governments were, in reality, collected by the states and turned over to the municipalities and counties for their own use.

#### High Special Assessments

ONE of the most significant items in the tables is the \$461,377,849 received by local governments from special assessments, principally for outlays of a capital nature. That item had more than doubled in the three years since 1922, when it was less than \$210,000,000.

It provides an illuminating index to the position of local governments in relation to the general property tax. With real estate and personal property bearing a staggering tax burden and with the demand for new improvements unabated, the municipalities, townships, and counties have been compelled to charge an increasing portion of improvement costs to areas benefited by new structures. Even though the device keeps the item off the general property tax budget, it is, none the less, an equally direct charge upon much of the property bearing the general tax.

It should not be assumed that the taxes and revenues shown in the foregoing tables represented the total cost of taxes to business, industry and individuals. In many instances, such as is the case with income and inheritance taxes, the cost of determining tax liability was a substantial item of expense to taxpayers and additional millions were expended to carry on litigation, pay attorneys, and

## VIRGINIA ELECTRIC and POWER CO. Wins Highest Award

The Charles A. Coffin Foundation Gold Medal, given annually to the company which has done most for the development of electric railway service, has been awarded for 1927 to the Virginia Electric and Power Company, W. E. Wood, President. This company is under the executive management of Stone & Webster, Inc.



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*...and ventilating an important terminal at the same time!*

THE new North Station and Arena in Boston is an innovation in architecture. It houses the Boston and Maine R.R. with its net-work of connecting lines and has an arena seating capacity of 18,000. Here you can purchase tickets for a train journey, a hockey match, a flower show or a prize fight.

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Twenty-three Sturtevant fans keep the whole building air-pure at all times. They provide the same kind of dependable and economical service that made Sturtevant Ventilating Equipment the choice of the engineers of the great Holland Vehicular Tunnel connecting New York and New Jersey; the George A. Posey Tube between Alameda and Oakland, Calif.; the New York Life Building and many other notable projects.

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employ expert help in filling out tax returns.

The figures do represent with fair accuracy, however, the taxes actually paid under the heterogeneous system now employed to finance American governmental enterprises, and provide some basis for considering any system designed to simplify the one now in use.

But these tables and all similar tables which obtain their facts from governmental sources fail to disclose one of the most far-reaching tax relationships which this system has fostered. That is, that everybody pays taxes; in many instances the firms, corporations, and even individuals who make the actual remittances are only doing so in behalf of an unseen taxpayer who, simply because his taxes are unseen, may nurse the illusion that he is escaping tax free.

A little less salary, a few dollars in the month's rent, a penny in the price of a loaf of bread and a little less work for the day laborer may be taxes quite as much as the \$10,000 check which some employer, merchant, or property owner may remit to a governmental unit.

Not all taxes, of course, are passed on. Competitive conditions and purely economic swings in commodity prices affect to some degree the portion which can be passed along to the consumer.

Thus are disclosed some of the present system's characteristics. Taxes upon people, taxes upon things, taxes upon ownership of wealth, taxes upon enjoyment of wealth, taxes upon savings, taxes upon spending, taxes upon rights and taxes upon privileges, taxes and exemptions of every kind and description together form this heterogeneous structure, a veritable monument to "what the traffic will bear."

## Two Remedies for Tax Burdens

CONFRONTED with a situation of oppressive taxation, any social order has two choices. First, it may seek relief in retrenchment of public expenditures, every taxpayer being benefited by whatever reduction is accomplished. Or it may rearrange the burden of producing revenue so that, even though it may be no lighter in aggregate, it bears with less weight upon any one taxpaying group.

Even in the presence of the possibility of more scientific spending, a great many responsible authorities are taking the view that the time is not far away in this country when rearrangement of the tax burden to make it adaptable to a changing economic and social order will be unavoidable.

Its imperfections and defects notwithstanding, this system necessarily must be the point of departure in planning any superior method of government financing. As a continuing organization which spends today money which it may not actually receive for several months, government cannot call "Time out!" to fashion a more perfect device. Circumstances compel a more gradual change, one in which the enlightened views of interested taxpayers and business men will have increasing weight.



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STEEL PIPE has been available only since 1888 and yet in the forty years of its use, there have been seen all the advances in equipment of homes, buildings, factories, railroads, which have raised living to the present high standard. With Steel Pipe there has been solved most of the problems of pure water supply, heating and sanitation, with the result that such fundamental benefits cost less than ever, and are within the means of everyone. Today we live not only in the Age of Steel, but also in the Age of Steel Pipe because Steel Pipe has contributed so much to our health and enjoyment and to the attainment of ideals in the utilization of water, steam, gas and oil.

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remarkable copper alloyed steel in many other kinds of metal products. The Wheeling process of adding copper to the steel produced entirely by the one company, under single control from mine to market, has been affirmed by eminent metallurgists, and by engineers, architects and those practical artisans who install your plumbing and heating systems.

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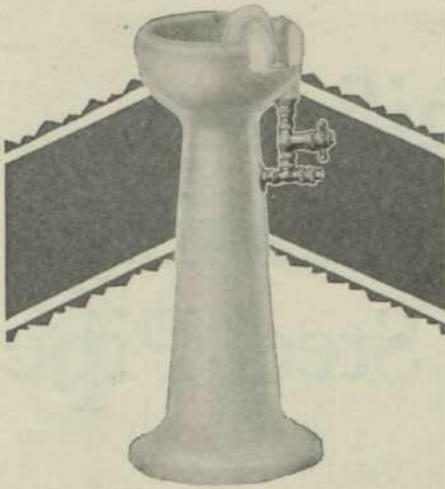
The wall of a piece of pipe made from metal containing foreign matter, such as slag, which antiquated processes do not remove, may sometimes take a heavier coating of zinc, but due to slag (or dirt) in the metal, the surface is uneven, and the coating over these non-metallic spots cannot adhere indefinitely because the zinc has no affinity for slag and will unite permanently only with the metal. The wall of COP-R-LOY Pipe, made from COP-R-LOY, has a dense, all metal structure and smoother, more uniform all metal

surface. Zinc unites inside and out to adhere indefinitely, furnishing a more lasting protection. Uncoated COP-R-LOY Pipe also takes a better coating of paint, and less paint, because of its all metal surface. There is no slag (or dirt) in COP-R-LOY Pipe because it has been removed in the making of the steel. And, furthermore, copper has fortified the clean metal to bring about the highest degree of durability that metallurgists have ever obtained from ferrous metal.

This sketch illustrates the type of rough base and coating of the wall of pipe made from ferrous metal containing a large quantity of slag or silicious foreign substances

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# The West Speaks Its Mind

By RAY DAVIDSON

**R**ECOMMENDATIONS that the United States Chamber of Commerce take action to aid American agriculture in its marketing ambitions abroad and that the study of state and local taxation be made an important part of the national body's program, were two important actions taken by the Western Division of the Chamber in its annual session at Pasadena, Calif., December 5 and 6.

The Western Division met at the Hotel Huntington with nearly 1,000 delegates present, and was honored with the presence of the national president, William Butterworth, of Moline, Ill. In the absence of Paul Shoup, chairman of the Western Division, who was prevented from attending by business engagements in the East, Vice Chairman Frederick J. Koster, of San Francisco, presided. Paul Clagstone, manager of the Western Division, was largely responsible for the excellent arrangements.

### Widespread Interests

**T**HE particular themes of the western convention were agriculture and taxation, but the resolutions adopted show that the other widespread interests of the body were not neglected. Among resolutions adopted were:

Request that the National Chamber consider removal of barriers against American agricultural products in the foreign trade, these barriers being the red tape connected with bills of lading imposed by the customs office.

That the National Chamber call upon state and local authorities to study public expenditures, with tax reduction in view.

Improvement of financial policies and practices of municipalities and states was urged.

That Alaska be excepted from those provisions of the Jones-White Shipping Bill which restrict foreign vessels in coast-wise trade. Alaska is largely dependent upon Canadian vessels in winter.

That sugar and green coffee imports be freed from unnecessary restrictions as to bills of lading.

A resolution was passed calling attention of the national directors to the fostering of the salmon fishing industry.

The convention called upon Congress to appropriate sufficient funds for properly expanding the work of western forest experiment stations. Larger appropriations to aid development of mineral resources of the West were urged in another resolution.

Ogden, Utah was chosen for the 1929 meeting of the Division and the meeting will be moved forward to enjoy the October climate of the Mormon state.

The exact dates are to be fixed later by the western board of directors. Ogden's

claims were presented by a lively delegation from Utah, headed by Frank Francis, the newspaper man-mayor of Ogden.

Many notable speeches were delivered before the convention. President Butterworth, addressing the annual banquet on the night of December 5, called attention to the part the Chamber of Commerce of the United States has played in promoting the general prosperity of the whole nation.

Mr. Butterworth discussed the causes of the present national prosperity and also outlined a program for the membership of the National Chamber which he feels will be highly effective in bringing substantial results in the next year. Prosperity, he emphasized, must not be thought of in regional, but in national terms. In part he said:

"The principle of cooperative marketing of agricultural products should be supported, and producers of agricultural commodities should be encouraged to form cooperative marketing associations along sound, economic lines."

He recommended that agricultural credit requirements be met through full development of existing facilities and advocated the creation of a federal farm board to report its recommendations to Congress. Also he stressed the need of federal appropriations for economic and scientific agricultural research by the Department of Agriculture, concluding:

"The adoption of these principles does not solve the problems of agriculture but their adoption does open the way to sound solutions."

### Selfishness Makes Taxes

**D**R. MULBANK JOHNSON, chairman of the California Taxpayers' Association, was the chief speaker upon the subject of taxation. He declared, "High local taxes are often created by a state of mind, one of selfishness on the part of individuals who, with a view to personal advantage, wish to force upon property owners a tax they can ill afford."

Lack of thorough understanding and sympathy between business men and farmers relative to both their individual and community interest makes possible a high local tax, Dr. Johnson asserted. Education by the interchange of ideas and study of local problems was set forth as a solution of the difficulty. Expenditure of funds for public work should be determined only after all the facts, secured through actual research, have been obtained, asserted this tax authority.

Capt. Robert Dollar, well-beloved veteran shipping man of the Pacific Coast was given a hearty reception.

He urged the dependency upon each other of agriculture and shipping and



suggested that the American business man "take off his coat" and go out after foreign trade.

"Why allow fruit crops to rot on the ground while the people of foreign nations are willing to buy those crops?" asked Captain Dollar. "The markets can be secured if you go after them."

Morris Edwards, of the finance department of the National Chamber of Commerce, declared there can be little question of the competence of business men and business agencies to bring helpful, constructive assistance to the expenditures of the Government. A strong plea for advancement in aviation was made by R. E. Fisher, of San Francisco.

The visitors were royally entertained by the Pasadena Chamber of Commerce, host to the gathering. The delegates were taken on trips to the famous Henry E. Huntington Library and Art Museum, to Mt. Lowe, and to other places of interest.

## Keep the Consumer Dissatisfied

(Continued from page 31)

automobile is destroyed. It goes to someone who has need for it and, to get it, he disposes of something that is unnecessary to his happiness. And so on to the end where the thing that is actually thrown away is of no further use to anyone. By this method living standards, all around, are raised.

We hear people complaining because of new models in automobiles. If it were not for these new models these same people would be paying more for what they have. Recognition of the fact that progress is inevitable forces us to recognize that we must have improvements in motor cars.

We, as manufacturers, must offer those improvements after they have been found to be capable improvements. The public buys and disposes of what it has. The fact that it is able to dispose of what it has enables us, as producers, to put a lower price tag on the new model. The law of economy in mass production enters here. We are permitted to turn out cars in volume because there is a market for them.

If automobile owners could not dispose of their cars to a lower buying strata they would have to wear out their cars with a consequent tremendous cutting in the yearly demand for automobiles, a certain increase in production costs, and the natural passing along of these costs to the buyer.

If every one were satisfied, no one would buy the new thing because no one would want it. The ore wouldn't be mined; timber wouldn't be cut. Almost immediately hard times would be upon us.

You must accept this reasonable dissatisfaction with what you have and buy the new thing, or accept hard times. You can have your choice.

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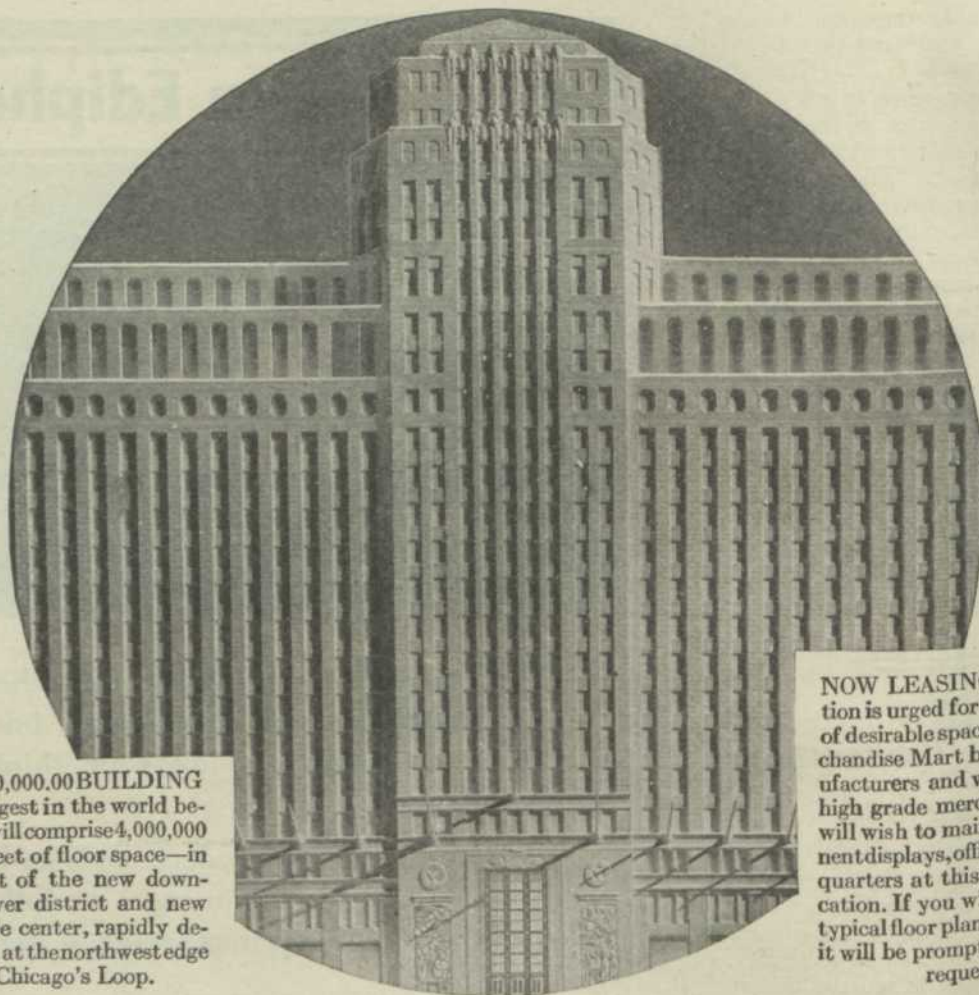
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A \$32,000,000 BUILDING—the largest in the world because it will comprise 4,000,000 square feet of floor space—in the heart of the new downtown river district and new wholesale center, rapidly developing at the northwest edge of Chicago's Loop.

NOW LEASING—Early action is urged for the selection of desirable space in the Merchandise Mart by those manufacturers and wholesalers of high grade merchandise who will wish to maintain permanent displays, offices and sales-quarters at this strategic location. If you wish to study a typical floor plan or blueprint, it will be promptly sent upon request.

**T**HE COLOSSUS OF MARKETPLACES—a gigantic structure of advanced design and scientific allocation of floor area; engineered in every detail for the specialized central market requirements of today; presenting such comprehensive facilities to the manufacturer or wholesaler that he may have here a showroom, sales-room, offices and space for reserve stocks—all *under one roof and on one floor.*

LESS TIME BUYING—MORE TIME SELLING; reduced travel cost; less fluctuation in retail sales—when the merchant can substitute one-day trips to the Merchandise Mart for ten-day absences in a seaboard market.

# THE MERCHANDISE MART CHICAGO

OFFICES—215 WEST WACKER DRIVE, CHICAGO

*When writing to THE MERCHANDISE MART please mention Nation's Business*



# American Individualism

(Continued from page 17)

individualist—an unashamed individualist. But let me say also that I am an American individualist. For America has been steadily developing the ideals that constitute progressive individualism.

No doubt, individualism run riot, with no tempering principle, would provide a long category of inequalities, of tyrannies, dominations, and injustices. America, however, has tempered the whole conception of individualism by the injection of a definite principle, and from this principle it follows that attempts at domination, whether in government or in the processes of industry and commerce, are under an insistent curb.

## Equality of Opportunity

IF WE would have the values of individualism, their stimulation to initiative, to the development of hand and intellect, to the high development of thought and spirituality, they must be tempered with that firm and fixed ideal of American individualism—an equality of opportunity. If we would have these values we must soften its hardness and stimulate progress through that sense of service that lies in our people.

Therefore, it is not the individualism of other countries for which I would speak, but the individualism of America.

Our individualism differs from all others because it embraces those great ideals: that while we build our society upon the attainment of the individual, we shall safeguard to every individual an equality of opportunity to take that position in the community to which his intelligence, character, ability, and ambition entitle him; that we keep the social solution free from frozen strata of classes; that we shall stimulate effort of each individual to achievement; that through an enlarging sense of responsibility and understanding we shall assist him to this attainment.

Individualism cannot be maintained as the foundation of a society if it looks to only legalistic justice based upon contracts, property, and political equality. Such legalistic safeguards are themselves not enough. In our individualism we have long since abandoned the *laissez faire* of the 18th Century—the notion that it is "every man for himself and the devil take the hindmost."

We abandoned that when we adopted the idea of equality of opportunity—the fair chance of Abraham Lincoln. We have confirmed its abandonment in terms of legislation, of social and economic justice—in part because we have learned that it is the hindmost who throws the bricks at our social edifice, in part because we have learned that the foremost are not always the best nor the hindmost the worst—and in part because we have learned that social injustice is the destruction of justice itself.

We have learned that the impulse to

production can only be maintained at a high pitch if there is a fair division of the product. We have also learned that fair division can only be obtained by certain restrictions on the strong and the dominant.

We have indeed gone even further in the 20th Century with the embracement of the necessity of a greater and broader sense of service and responsibility to others as a part of individualism.

Whatever may be the case with regard



Herbert Hoover in 1898 when, at the age of 25, he was employed as a mining engineer at Perth, West Australia

to Old World individualism (and we have given more back to Europe than we received from her), the truth that is important for us to grasp today is that there is a world of difference between the principles and spirit of Old World individualism and that which we have developed in our own country.

We have, in fact, a special social system of our own. We have made it ourselves from materials brought in revolt from conditions in Europe. We have lived it, we constantly improve it, we have seldom tried to define it. It abhors autocracy and does not argue with it, but fights it. It is not capitalism, or socialism, or syndicalism, nor a cross of them.

Like most Americans, I refuse to be damned by anybody's word-classification of it, such as "capitalism," "plutocracy," "proletariat" or "middle class," or any other, or to any kind of compartment that is based on the assumption of some group dominating somebody else.

The social force in which I am interested is a far higher and a far more pre-

cious thing than all these. It springs from something infinitely more enduring; it springs from the one source of human progress—that each individual shall be given the chance and stimulation for development of the best with which he has been endowed in heart and mind; it is the sole source of progress; it is American individualism.

The rightfulness of our individualism can rest either on philosophic, political, economic or spiritual grounds. It can rest on the ground of being the only safe avenue to further human progress.

## On the Philosophic Side

ON the philosophic side we can agree at once that intelligence, character, courage, and the divine spark of the human soul are alone the property of individuals. These do not lie in agreements, in organization, in institutions, in masses, or in groups. They abide alone in the individual mind and heart.

Production both of mind and hand rests upon impulses in each individual. These impulses are made of the varied forces of original instincts, motives, and acquired desires. Many of these are destructive and must be restrained through moral leadership and authority of the law and be eliminated finally by education. All are modified by a vast fund of experience and a vast plant and equipment of civilization which we pass on with increments to each succeeding generation.

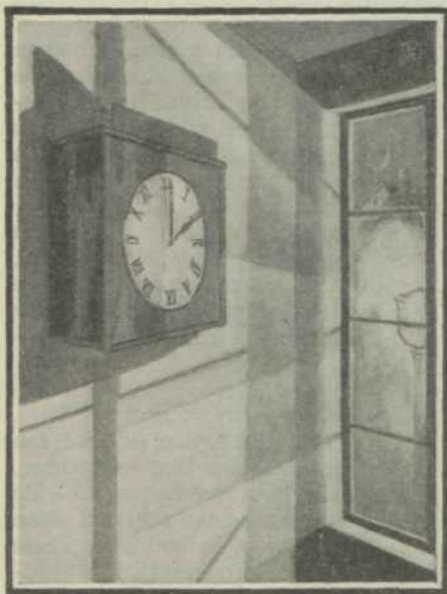
The inherited instincts of self-preservation, acquisitiveness, fear, kindness, hate, curiosity, desire for self-expression, for power, for adulation, that we carry over from a thousand generations must, for good or evil, be comprehended in a workable system embracing our accumulation of experiences and equipment. They may modify themselves with time—but in terms of generations. They differ in their urge upon different individuals. The dominant ones are selfish. But no civilization could be built or can endure solely upon the groundwork of unrestrained and unintelligent self-interest. The problem of the world is to restrain the destructive instincts while strengthening and enlarging those of altruistic character and constructive impulse—for thus we build for the future.

## Ideals—Most Potent Force

FROM the instincts of kindness, pity, fealty to family and race; the love of liberty; the mystical yearnings for spiritual things; the desire for fuller expression of the creative faculties; the impulses of service to community and nation are moulded the ideals of our people. And the most potent force in society is its ideals. If one were to attempt to delimit



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-at 2AM?

Detex Watchclock Systems enable business to keep an accurate check on watchmen throughout their tour of duty.

This system on your property is positive assurance that your watchman will stay awake; will be alert to detect small fires; and attend to other important duties.

Often the saving in insurance rates pays for the system the first year, even if you employ only one watchman.

Don't guess where your watchman is at 2 A. M.; with a Detex Watchman's Clock, you will know.

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the potency of instinct and ideals, it would be found that while instinct dominates in our preservation yet the great propelling force of progress is right ideals.

It is true we do not realize the ideal; not even a single person personifies that realization. It is therefore not surprising that society, a collection of persons, a necessary maze of compromises, cannot realize it. But that it has ideals, that they revolve in a system that makes for steady advance of them is the first thing. Yet true as this is, the day has not arrived when any economic or social system will function and last if founded upon altruism alone.

With the growth of ideals through education, with the higher realization of freedom, of justice, of humanity, of service, the selfish impulses become less and less dominant, and if we ever reach the millennium, they will disappear in the aspirations and satisfactions of pure altruism. But for the next several generations we dare not abandon self-interest as a motive force to leadership and to production, lest we die.

The will-o'-the-wisp of all breeds of socialism is that they contemplate a motivation of human animals by altruism alone. It necessitates a bureaucracy of the entire population, in which, having obliterated the economic stimulation of each member, the fine gradations of character and ability are to be arranged in relative authority by ballot or more likely by a Bolshevik party, or some other form of tyranny.

The proof of the futility of these ideas as a stimulation to the development and activity of the individual does not lie alone in the failure of Russia, but it also lies in our own failure in attempts at nationalized industry.

Likewise the basic foundations of autocracy, whether it be class government or capitalism in the sense that a few men through unrestrained control of property determine the welfare of great numbers, is as far apart from the rightful expression of American individualism as the two poles.

### Where Autocracy Fails

THE will-o'-the-wisp of autocracy in any form is that it supposes that the good Lord endowed a special few with all the divine attributes. It contemplates one human animal dealing to the other human animals his just share of earth, of glory, and of immortality.

The proof of the futility of these ideas in the development of the world does not lie alone in the grim failure of Germany, but it lies in the damage to our moral and social fabric from those who have sought economic domination in America, whether employer or employee.

We in America have had too much experience of life to fool ourselves into pretending that all men are equal in ability, in character, in intelligence, in ambition. That was part of the claptrap of the French Revolution. We have grown to understand that all we can hope to assure to the individual through government is liberty, justice, intellectual welfare, equal-

ity of opportunity, and stimulation to service.

It is in maintenance of a society fluid to these human qualities that our individualism departs from the individualism of Europe. There can be no rise for the individual through the frozen strata of classes or of castes, and no stratification can take place in a mass livened by the free stir of its particles. This guarding of our individualism against stratification insists not only in preserving in the social solution an equal opportunity for the able and ambitious to rise from the bottom; it also insists that the sons of the successful shall not by any mere right of birth or favor continue to occupy their fathers' places of power against the rise of a new generation in process of coming up from the bottom.

### Opportunity In America

THE pioneers of our American individualism had the good sense not to reward Washington and Jefferson and Hamilton with hereditary dukedoms and fixtures in landed estates, as Great Britain rewarded Marlborough and Nelson. Otherwise our American fields of opportunity would have been clogged with long generations inheriting their fathers' privileges without their fathers' capacity.

That our system has avoided the establishment and domination of class has a significant proof in the Administration in Washington. Of the twelve men comprising the President and Vice President and a recent cabinet, nine earned their own way in life without economic inheritance, and eight started with manual labor.

If we examine the impulses that carry us forward, none is so potent for progress as the yearning for individual self-expression, the desire for creation of something. Perhaps the greatest human happiness flows from personal achievement. Here lies the great urge of the constructive instinct of mankind.

But it can only thrive in a society where the individual has liberty and stimulation to achievement. Nor does the community progress except through its participation in these multitudes of achievements.

Furthermore, the maintenance of productivity and the advancement of the things of the spirit depend upon the ever-renewed supply from the mass of those who can rise to leadership. Our social, economic, and intellectual progress is almost solely dependent upon the creative minds of those individuals with imaginative and administrative intelligence who create or who carry discoveries to widespread application.

No race possesses more than a small percentage of these minds in a single generation. But little thought has ever been given to our racial dependency upon them. Nor that our progress is in so large a measure due to the fact that with our increased means of communication these rare individuals are today able to spread their influence over so enlarged a number of lesser capable minds as to have increased their potency a million-fold.

In truth, the vastly greater productivity of the world with actually less physical



labor is due to the wider spread of their influence through the discovery of these facilities. And they can arise solely through the selection that comes from the free-running mills of competition. They must be free to rise from the mass; they must be given the attraction of premiums to effort.

Leadership is a quality of the individual. It is the individual alone who can function in the world of intellect and in the field of leadership. If democracy is to secure its authorities in morals, religion, and statesmanship, it must stimulate leadership from its own mass. Human leadership cannot be replenished by selection like queen bees, by divine right or bureaucracies, but by the free rise of ability, character, and intelligence.

Even so, leadership cannot, no matter how brilliant, carry progress far ahead of the average of the mass of individual units. Progress of the nation is the sum of progress in its individuals. Acts and ideas that lead to progress are born out of the womb of the individual mind, not out of the mind of the crowd.

The crowd only feels: it has no mind of its own which can plan. The crowd is credulous, it destroys, it consumes, it hates, and it dreams—but it never builds.

It is one of the most profound and important of exact psychological truths that man in the mass does not think but only feels. The mob functions only in a world of emotion. The demagog feeds on mob emotions and his leadership is the leadership of emotion, not the leadership of intellect and progress.

Popular desires are no criteria to the real need; they can be determined only by deliberative consideration, by education, by constructive leadership.

Copyright, 1922. Part Two of "American Individualism" will appear in the February NATION'S BUSINESS. Part Three, which will appear in March, concludes the series.

## Insurance as Investment

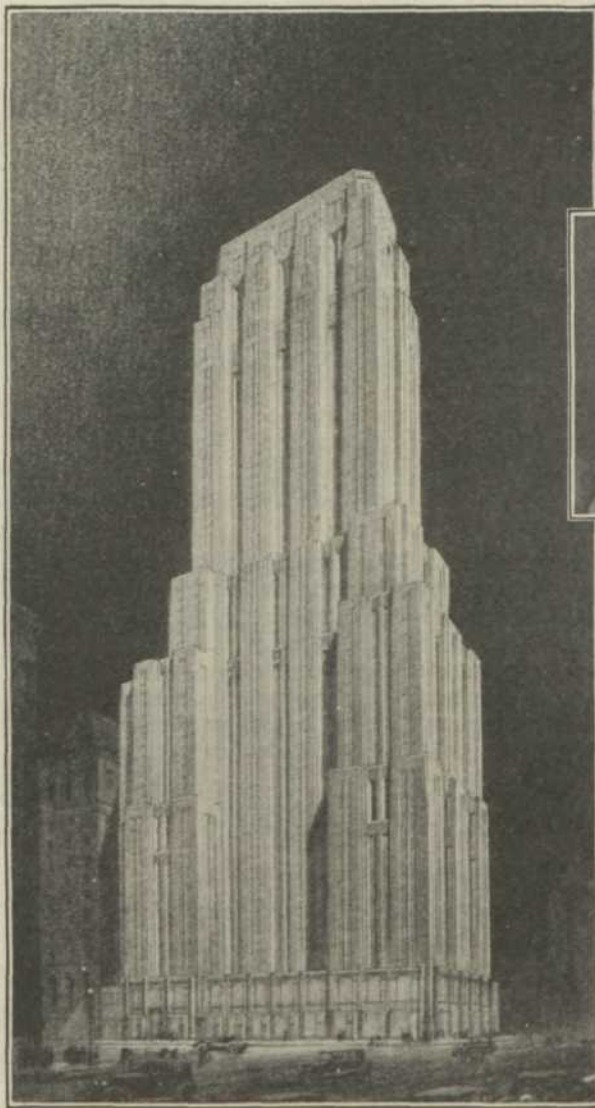
**M**A. LINTON, author of the article, "Insure for Life as Well as for Death," which appeared in the December NATION'S BUSINESS, has sent us later figures than those he used in his article last month to develop the advantage of the ordinary life policy over the term insurance-separate investment fund plan of protection.

To equal the guaranteed cash surrender value of the ordinary life policy the separate investment fund built up under the latter plan would have to yield the following higher compound interest returns, the later figures show (for ages 25, 35 and 45 the investment period considered is to age 65; for age 55 it is to age 75):

Age	Compound interest return upon investment element
25.....	5.88 per cent
35.....	5.57 per cent
45.....	5.51 per cent
55.....	5.88 per cent

# Pleasing the Public

## as Important in Building as in Merchandise...say the leaders of industry today



The Palmolive Building—now under construction in Chicago



Charles S. Pearce, President Colgate-Palmolive-Peet Co.

### 3 Reasons

for the swing to Indiana Limestone as given by leading building authorities

**1** Indiana Limestone buildings yield high income because they attract tenants. People like to live and work in handsome structures built of this fine natural stone.

**2** Walls faced with Indiana Limestone rarely need cleaning, caulking or repairs. Exterior upkeep cost is lowest.

**3** Bankers and mortgage firms regard the permanency of Indiana Limestone with favor.

**T**HOSE leaders of modern business whose success has been built upon advertising realize particularly that pleasing the public is just as essential in a building as in merchandise.

To insure easy renting, they build of Indiana Limestone. Surveys in various business areas have shown that Indiana Limestone buildings rank above the general average in percentage of space occupied. The public is attracted to such buildings because of their extraordinary beauty.

This beauty of Indiana Limestone is permanent. Age simply accen-

tuates the mellow tones of this fine-grained, light-colored natural stone. No costly cleaning or other repairs are necessary.

Modern production methods make Indiana Limestone as practicable for the small building as for the large. We will gladly furnish an estimate without obligation.

### Write for booklet

An illustrated booklet showing various types of modern Indiana Limestone buildings will be mailed on request. Address Dept. 740, Service Bureau, Bedford, Indiana.

## INDIANA LIMESTONE COMPANY

General Offices: Bedford, Indiana

Executive Offices: Tribune Tower, Chicago

When writing to INDIANA LIMESTONE COMPANY please mention Nation's Business





## What is the next step to turn past due accounts to cash?

**T**WENTY-THOUSAND credit men have found that the next step after usual demands have failed is the Schwarz Notice Before Assignment... a collection innovation that has achieved a nation wide record on past due accounts of 44% collections at no collection cost. The Schwarz Notice Before Assignment is a service without charge and is the first step in obtaining money on past due accounts without impairing the good will of the customer.

The Adolph M. Schwarz Organization is a national collection institution specializing in personal adjustment service with thirty-five principal offices, sixty sub-offices and over a hundred adjustors constantly on the road. The list of Schwarz clients is an honor roll of the nation's business; giving the credit man a dependable, efficient and economical nation-wide collection service. Write the New York or any one of the principal offices for full details of the Schwarz coast to coast collection service.

### THE Adolph M. Schwarz Organization

730 Fifth Avenue Executive Offices New York City

ESTABLISHED 1901

#### COMMERCIAL COLLECTIONS FROM COAST TO COAST

##### Principal Offices

New York	Baltimore	St. Louis	Houston
Brooklyn	Pittsburgh	Indianapolis	Dallas
Rochester	Cleveland	Cincinnati	Denver
Buffalo	Detroit	Louisville	Salt Lake City
Boston	Chicago	Memphis	Portland
Providence	Milwaukee	Birmingham	Seattle
Hartford	Minneapolis	Atlanta	Los Angeles
Newark	Omaha	Jacksonville	San Francisco
Philadelphia	Kansas City	New Orleans	

##### SUBSIDIARY OFFICES

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Syracuse  
Springfield, Mass.  
Trenton  
Wilmington  
Washington  
Richmond  
High Point  
Wheeling  
Akron  
Toledo  
Grand Rapids  
St. Paul  
Duluth  
Fargo  
Lincoln  
Des Moines  
Sioux City  
St. Joseph  
Topeka



Wichita  
Evansville  
Fort Wayne  
Dayton  
South Bend  
Sheboygan  
Rockford  
Peoria  
Bridgeport  
Worcester  
Columbus  
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Nashville  
Little Rock  
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San Antonio  
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Fresno  
Burlington  
Portland, Me.  
Charleston, S. C.  
Scranton  
Boise  
Mobile  
Tulsa  
Manchester

## Coal in a World of Change

(Continued from page 68)

made an understandable and a graceful reply in English. And they came from many quarters of the earth, France, Germany, Spain, Poland, Norway, Japan, Czecho-Slovakia and half a dozen other countries.

The only ones who did not speak English were a Belgian delegate who spoke French and a Roumanian who spoke German.

**D**R. KRAUCH was introduced by Walter C. Teagle, president of the Standard Oil Company of New Jersey. Dr. Krauch's company is making petroleum and gasoline from coal by the Bergius patents and Standard Oil interests have an agreement with the German firm for the use of these patents.

**B**UT the most striking story of acquisition of a foreign language was told to me in the lobby of the Carnegie Institute after Dr. Carl Krauch, director of the I. G. Farbenindustrie Aktien-gesellschaft, Ludwigshafen (The German Dye Trust), had delivered a learned paper.

"It was in April, 1928," said my informant, "that Dr. Krauch was told by the high command of his business that he was booked to make a speech—and that in English—at Pittsburgh in last November.

"He knew little or no English then, but with the thoroughness which we associate with Germans, he summoned an instructor in English from a neighboring German university and held with him a daily linguistic drill. The result you've just heard."

The result, as I did hear, was a thoroughly understandable—understandable that is as far as its English went—presentation to an English audience of a difficult technical paper on an abstruse subject.

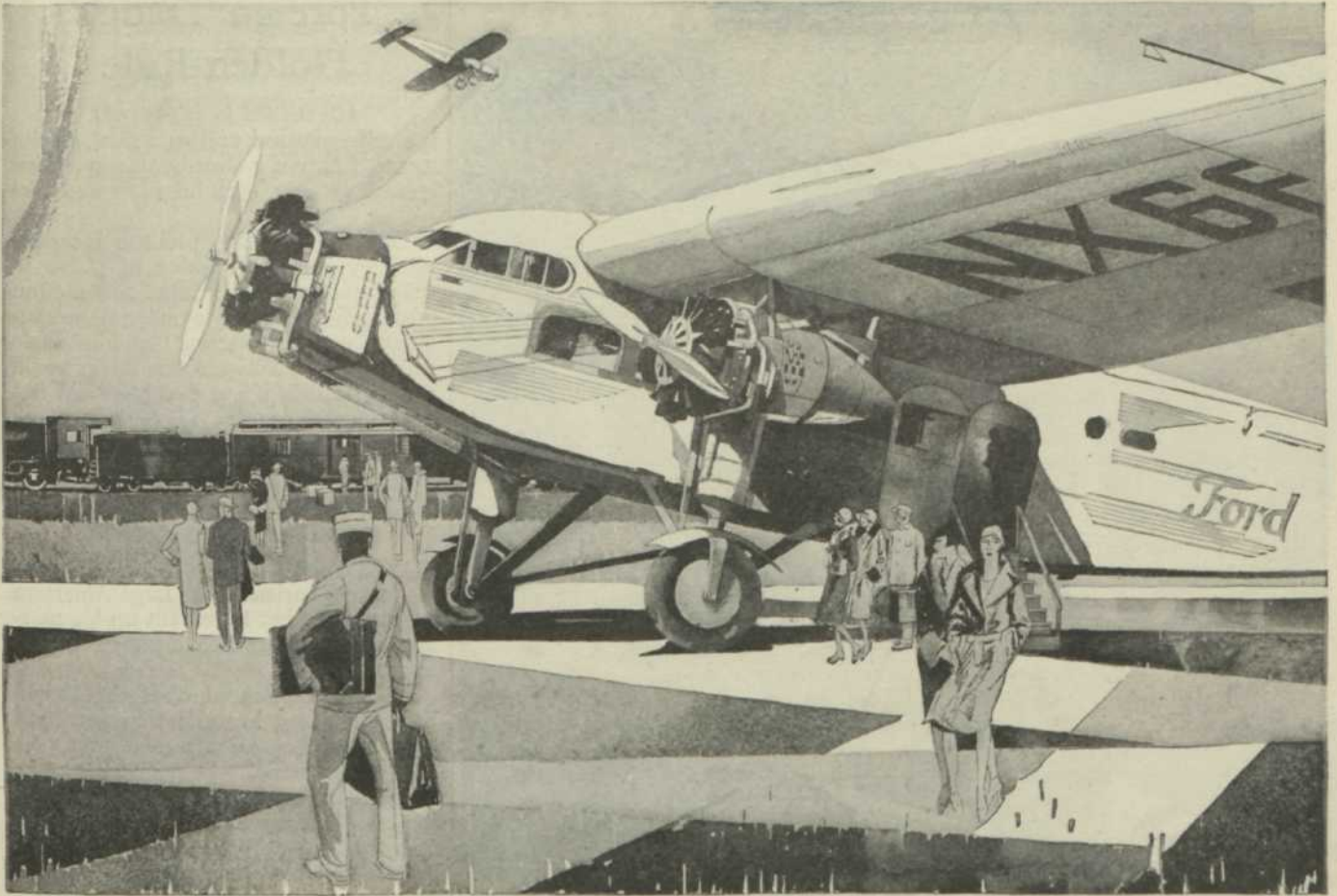
"**W**HY can't we build polychromatic homes?" asked Dr. Gustav Egloff and Dr. J. C. Morrell in a joint paper they presented at one session of the coal conference.

"We can build polychromatic homes," said the doctors answering their own questions. "The material for the construction is so obtained by cracking high-boiling tar acids and variously treating the product with formaldehyde and ammonia and iron oxide and titanium oxide."

The result is "impervious to water, highly resistant to atmospheric corrosion, an electric nonconductor, and can be produced cheaper than the granite now used to veneer high steel buildings." It sounds like an ideal building material.

Chemically, this material is hexatetramethylamine, but if we ever order any for building, the name will have to be shorter.





On Col. Lindbergh's recommendation, ten all-metal tri-motored Ford planes have already been ordered

## The Iron Horse grows wings

COL. CHARLES A. LINDBERGH has been appointed Consulting Aeronautical Engineer to the Pennsylvania Railroad. He will assist in the choice of aeroplanes, air routes, and pilots.

A rail-and-air passenger service from New York, Philadelphia and other cities to St. Paul and Minneapolis was inaugurated September 1st, through participation of the Pennsylvania with the Northwest Airways, Inc., and the Transcontinental Air Transport, Inc.

Preparation for a 48-hour coast-to-coast passenger service by rail and air has been effected by the Pennsylvania through its part in the formation of the Transcontinental Air Transport, Inc.

IN these developments of rail-and-air travel, the Pennsylvania is giving primary attention to maximum safety and comfort

The planes on order will be all-metal and tri-motored; each motor of 400 horse power. "Intensive tests show that the planes fly efficiently on two motors and can be sustained in the air by one." Veteran pilots will be in charge. Special provisions will be made for getting the latest weather reports. There will be emergency landing fields at frequent intervals along the carefully prepared routes.

Comfort is not forgotten. On the 48-hour coast-to-coast flight, the passenger from New York, Philadelphia or other eastern cities, travels overnight to Columbus on The American, one of the Pennsylvania's de luxe trains.

Next morning after breakfast he takes an easy-chair in a twelve passenger

plane. There will be a pause for lunch at St. Louis; a second stop—and chance to stretch legs—at Kansas City. Another few hours of flight and he takes an evening Santa Fe train at Dodge City, Kansas.

Next morning, at Las Vegas, New Mexico, he boards another big plane. He glides down to Los Angeles, late that afternoon, approximately 48 hours after he left New York.

These developments recall the words uttered thirty-six years ago by George B. Roberts, former president of this railroad:

"The moment that this Company forgets that its duty is to be at the head of the list of the carrying companies in the United States, and ceases to have the ambition to become the first in the world, that moment do I wish to pass from its management."

# PENNSYLVANIA RAILROAD

Carries more passengers, hauls more freight than any other railroad in America



## Foreign Trade's Golden Rule

(Continued from page 44)

is a self-contained unit with men, implements, wharves, railroads, tramlines, telephone systems, even hospitals and recreation centers.

The administrative problem is multiplied by just the number of places in which fruit is raised. Coordination of an organization to operate under these conditions on the exacting time schedule which the Company must maintain would not be possible if our Company did not enjoy, in each country, the confidence and good will generally given only to the home industry. To all intents that is what it is to each of these countries.

### Good Personnel

**T**HIS is the attitude which is now governing various other large American corporations that have built up big markets in Latin America during the past few years.

All have discovered what the United Fruit Company learned; that personnel is far more important in a distant post than it is at home.

When I went into the tropics a quarter of a century ago I was one of the first of a group of young Americans sent in to replace the white riffraff which had previously filled minor executive posts. There was a tradition that only these veteran floaters knew enough about the psychology of the peoples of these countries to get along with them.

The United Fruit Company challenged this contention and soon learned that one of the great stumbling blocks to progress in the tropics was the type of white foreman employed.

There is no difference whatever, fundamentally, between the psychology of foreign peoples and of those of our own country.

Reaction to fair and honest dealing is the same in both cases. The Latin and the Anglo-Saxon are alike in that they look with suspicion on the exploiter. An industry going into a new territory must expect to dissipate that suspicion by its own actions. Once good will is established it becomes the basis of stability and continuing profits.

### A Virgin Opportunity

**A**S TO opportunities in the tropics for business conducted on the modern American principle, the fact is that so far we have only scratched the surface. Before the war, the investments of the United States in Latin America approximated a little over a billion dollars. Today our investments are in excess of five billions. In spite of this there is still current a great deal of misunderstanding as to the nature and character of the market.

Our Company points with a certain amount of satisfaction to the fact that we have under cultivation 85,000 acres in Honduras, 35,000 acres in Guatemala



# THIS MODERN BUSINESS MACHINE

New in principle . . . new in design . . . new in the greater scope of its writing service. The *Easy-Writing* Royal is built to fulfill the present day demand for speed and volume. This finer typewriter embodies *exclusive* principles of smoothness and accuracy . . . factors that will enable your operators to accomplish more with better results . . . and less effort. A test in your office, with your own operators, will quickly prove its superiority . . . Compare the work.

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When writing to ROYAL TYPEWRITER COMPANY, INC., please mention *Nation's Business*



and 30,000 acres in Colombia, these being some of our largest plantations.

But in reality these farms, large as they are, represent but an infinitesimal part of the cultivated area in these three countries.

The policy of encouraging the native grower which has been fundamental with the United Fruit Company unquestionably has helped much in these developments.

As I have said, we now buy almost as much fruit from contract native growers owning and operating their own plantations as we raise on all of our own land.

Here is a specific example of a corporation identifying itself with national interests. It is all the more significant in view of the fact that banana cultivation is attended by many hazards, chief among them being wind storms which frequently destroy entire crops in a given area.

### Balance Up the Risks

**T**HEREFORE, when we depend on a native planter for a supply of fruit, we must strike a balance between the various risks, exactly as we do with our own farms.

That is, we guarantee to buy without any guarantee that we can get delivery. Our ships are run on schedule, and if a crop is lost in one area it must be made up in another.

The United Fruit Company thus performs a service for the native grower which he is unable to perform for himself, by guaranteeing his market. His risk is, therefore, reduced to the natural hazard of the elements which all alike must face.

### Conditions are Favorable

**M**OST Americans have a very badly exaggerated impression of instable political conditions, and an almost total lack of appreciation of the ancient art and culture to be found in the Central American cities.

They are inclined to believe that economic stability is at a low stage, when the truth is that most of these cities of Latin countries compare favorably with those of the United States for peace, order, and contentment.

If it were otherwise the United Fruit Company could not have succeeded. We take pride in our contributions to communication through the development of wireless stations, in what we have done for transportation by our fleet and railroads, and in our hospital and sanitation work.

But to bring these efforts to their present fruition we had to have the cooperation of a civilized, peaceable, and intelligent people in each of the countries in which we are operating.

We have contributed only to the material aspects of civilization.

That the ethical appreciation already was there is shown by the whole-hearted cooperation which has been given to our efforts to share in the community responsibility.

# "I'll cut those 7 men to 1"



## Said the Louisville Drying Engineer

"Why, that seems incredible," the manufacturer replied. "It's hard enough for me to get along with seven men in my drying department as it is."

"That may be true," said the L.D.E., "but you see a Louisville Dryer is automatic from feed to discharge. Consequently it requires only a single attendant."

"Splendid!" exclaimed the manufacturer. "But will it produce material as fast as the dryer I now use?"

"As fast?" echoed the L.D.E. "I think I can safely say that it will handle 50% more material without increasing your fuel expense in the least."

"I'm sold," the manufacturer announced, "provided you can convince me that you are able to live up to your promises. What assurance have I?"

"Well," the L.D.E. replied, "I represent a company that has specialized in building dryers for forty years. To date we have served more than a thousand manufacturers among fifty different industries."

"Furthermore," he continued, "I am a trained drying engineer myself and have behind me the engineering ability of my company. Therefore I'm not guessing. However, if you wish we shall be glad to guarantee in writing the results which I have promised."

As a consequence of that conversation another manufacturer joined the ranks of those who are saving money with Louisville Dryers. If you use any kind of drying process in your plant, a similar conversation might result in like economies for you. It costs nothing to consult a Louisville Drying Engineer, either by mail or in person, so why not find out if your present process is as efficient as you think.

## LOUISVILLE DRYING MACHINERY COMPANY.

Incorporated

Hull St. and Baxter Ave.  
Louisville, Ky.

Cable Address, Loudry, Louisville, Kentucky

## 5 Ways to cut drying costs

- 1 The first way is to permit Louisville Drying Engineers to make a study of your drying problems. They will recommend a Louisville Dryer which will...
- 2 Cut fuel expense from one-third to one-half in many cases.
- 3 Deliver dried material continuously, thus permitting of uninterrupted plant operation.
- 4 Cut the number of attendants needed to one in most instances.
- 5 Reduce the amount of floor space required as much as 80%.





# All the cards ON THE TABLE

Many questions must be asked...and answered... before a *special* fractional horsepower motor can be correctly designed, economically manufactured, and placed in successful operation as part of any electrical appliance.

Where and how is the appliance marketed? Under what actual service conditions must it operate? What special motor characteristics do these conditions require? Might some modification or change in the appliance itself increase its efficiency and cut costs?

These are some of the points on which Domestic seeks full information from motor buyers, because

they have a direct bearing on the design and construction of the motor developed for any particular purpose. On the other hand, we urge equally thorough investigation of the Domestic organization... its financial position, personnel, equipment.

It is only when "all the cards are on the table" that customers can obtain the full benefit of Domestic's unique service. In addition to unusual facilities for the manufacture of small motors this service provides constant contact with trained engineers... competent to aid you in the design and production of fractional horsepower appliances in any field.

THE DOMESTIC ELECTRIC COMPANY  
7209-25 St. Clair Avenue Cleveland, Ohio

**Domestic**  
FRACTIONAL HORSEPOWER  
**Electric Motors**



SMALL MOTOR MANUFACTURE - - APPLIANCE ADVISORY ENGINEERING



# Second-Story Banking

By JOHN POOLE

*President, The Federal-American National Bank, Washington, D. C.*

**S**OMETHING always has been radically unsuitable with the locating and planning of banks. It is one of those things that started out wrong in the beginning, and has largely adhered to its tradition.

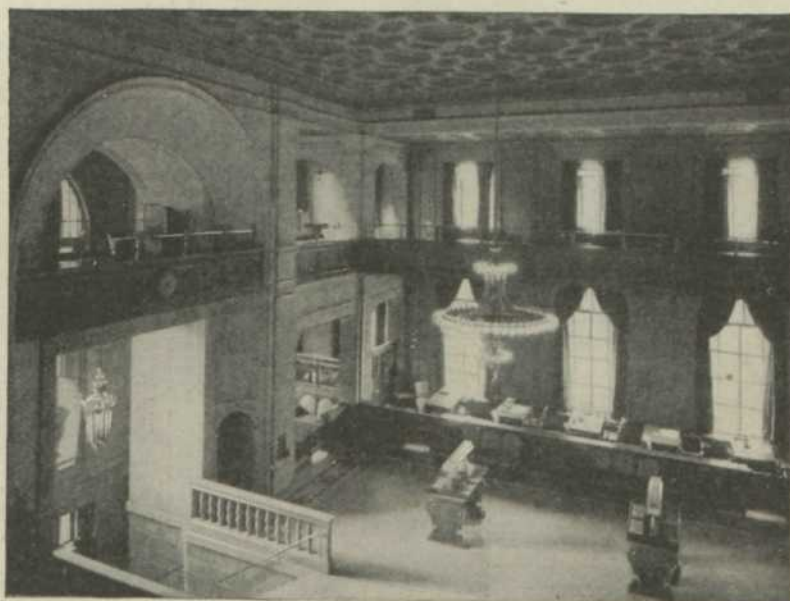
Did you ever hear of a business man who went to his real estate agent with an order to find a good location for a store and a request that it be next to a cemetery, a public park, a church or a bank?

No, you never did, and the fact strongly indicates that in locating their institutions the banks have ignored the rights and interests of their best customers. A good retail merchant invariably avoids the locations mentioned, because they are dead sites so far as retail business is concerned.

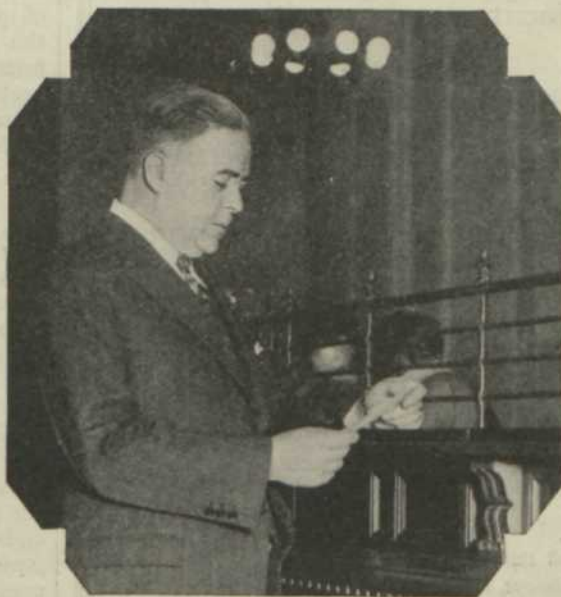
All of which outlines the principal reason for the movement toward second-story banking. It is no longer enough that a bank building be imposing and substantial in appearance, for modern buildings of all kinds typify these things. The modern bank building should express the economic necessities of its locations, which merely means that its builders should consider the interests of their customers first.

If one could go back to the early days in his town, he would find that long before a bank was established there were stores and business places, with later on a little hotel, and then more stores. It was these enterprises that created both the business district of the town and the opportunity for a bank; and later, when the first bank was started, its organizers wanted to locate where the big depositors were.

Therefore, the bank was established as near the center of the business district as possible. The banking room was placed on the first floor to make it accessible.



**CAN A BANK** escape the ancient tradition that has chained it to the ground floor? John Poole, shown below at a new and friendly type of bank counter he has devised, says yes and tells why. The interior view of his second-floor Washington bank bears out his words



In doing this, the first banks usurped certain attractions which did not really belong to them and which were not profitable to them, for banks do not attract trade in the sense that retail stores attract it. They create dead sites so far as retail business is concerned.

There is no economic reason why a

bank should be located on the street level in the heart of any business district, and there are many reasons why it should be located elsewhere. However, blindly following tradition, banks still gobble up the finest business sites and erect thereon monumental buildings—buildings that are closed except from between the hours of nine to about three, and even during this period the corner is forbidding so far as attraction of trade is concerned.

Three years ago our bank moved from a location of the kind to our own building, located on one of the good retail corners in Washington. A number of retail merchants wanted to locate where we built our new bank building, and if we

had planned a building like the one we moved from the merchants would have been forced to find other locations—possibly some distance away.

These merchants, seven of them, were our customers or prospective customers. We had no moral right to drive them away from profitable locations. So we considered their interests first, and designed our building to conduct the banking on the second floor, over seven very attractive stores.

Subsequent experience proves that our decision was founded on an excellent banking principle. We are doing much more business on the second floor than we did in the old building on the first floor, and our rate of increase has been accelerated. And, with three years of experience behind us, the reasons for our progress seem obvious.

Men and women choose their banks for many other reasons than convenience. If a customer is convinced that one bank is best for his purposes, he will walk two or three blocks and pass several other banks to support his judgment. He will climb





*A Panorama View of the Barcelona Exhibition*

## An Opportunity for Export

The Exhibition of Barcelona, 1929, is the American manufacturer's gateway to win, not only the rich fertile Spanish market (Spain is third wealthiest of world powers), but also to attract and interest the buyers of the 23 other countries of the world, who are being urged to attend through a world-wide advertising campaign.

All of the world that matters . . . industrially . . . commercially . . . scientifically . . . artistically . . . will see and appreciate the exhibits of American commerce, industry, art, science, literature, invention, efficient methods of merchandising, advertising and transportation, at the International Exposition, Barcelona, Spain, 1929.

Here leading manufacturers from all parts of the world will display their products in magnificent palaces on the heights of famous Montjuich. 12,734,810 square feet of space is covered by the Exposition. \$21,372,000 is appropriated by the Government of Spain and the city of Barcelona—to apprise other nations of the tremendous industrial activity and economic progress of new modern Spain—and Spain's importance as a world gateway.

Special low freight rates . . . arrangements for no tariff on materials for exhibit . . . exhibition space without charge for American manufacturers seeking the Spanish market.

*For full information and vital statistics on the existing market for your product in Spain and Europe, address United States Delegate, Exhibition of Barcelona, Dept. 103, Steinway Hall, New York City.*

## International Exhibition Barcelona

MAY—1929—DECEMBER

a comfortably sloping stairway or take the elevator a short distance and will not consider it an inconvenience. In three years we have listened to thousands of compliments regarding the imposing aspect of our building and the attractiveness of the banking floor, and to not a single complaint as to any trouble or inconvenience.

When a bank buys in a downtown shopping area, and puts its banking room on the ground floor, it does not directly cash in on the increasing value of the location and rentals.

Property in good shopping areas nearly always increases in value. Therefore, if a bank property cost half a million dollars ten years ago, and is worth one million dollars today, the first-floor bank is foregoing a return on the million-dollar value amounting to the real measure of the rental increase of the property.

The only way that most banks can obtain all of the accruing values of their locations, and at the same time provide just as convenient a service for their depositors and render a service to both those who own property in the neighborhood and those who engage in business in the section, is to place their banking establishments on the second floor, with retail shops on the first.

### Shops Help Business District

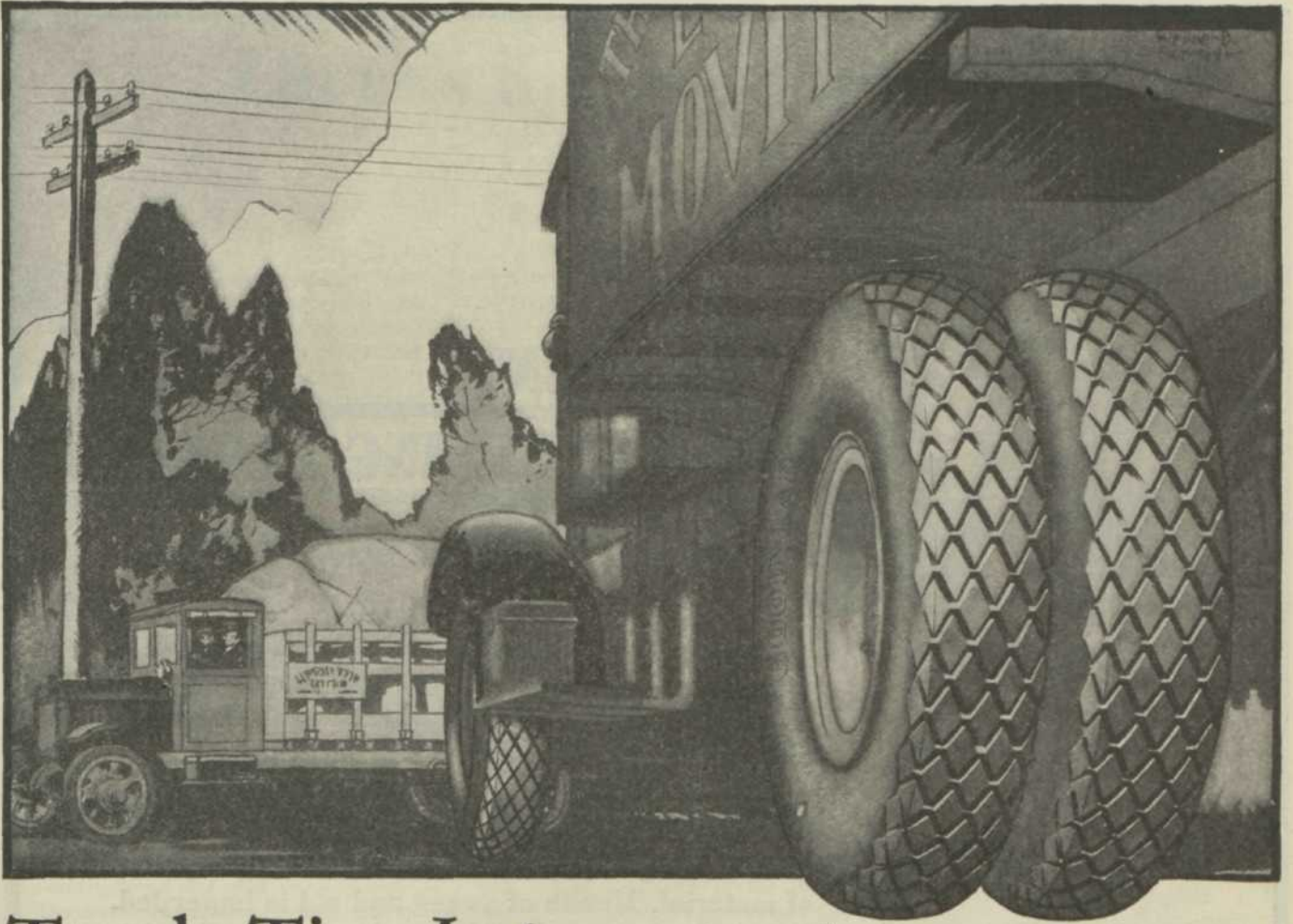
THE overwhelming argument in favor of this movement is the fact that banks themselves do not create increased value in property. They merely enjoy the accretion that comes about in a business section that is getting better and better all the time. Having attractive shops on the ground floor materially helps to maintain the supremacy of the business district, and it aids in the brightening of the neighborhood with attractive displays of quality merchandise. Besides, having the banking room on the second floor, means a brighter, better ventilated, better protected, and more private banking room.

However, let us assume that some people prefer the first-floor bank, and that we are losing some of our depositors. If this is the case, although I think I could prove otherwise, the evidence indicates that we have not lost, but rather gained, some large depositors who are the life-blood of every bank. These depositors send their employees with their deposits, and for their payrolls and other matters. They are not concerned with our location.

Of course, the great mass of depositors carry small accounts, which in the main show little if any profit. Therefore, if the steps or elevators leading to the second-story banking room offer any resistance to the small accounts and cause an occasional depositor to take his account elsewhere, the loss is not noticeable.

The convert to our policy usually inquires as to how much higher up than the second floor one may go and still do a successful banking business. In reply, I always explain that custom is the only handicap to such a venture, but that at present there is no economic need for banks to locate above the second floor.





## Truck Tire *Improvements* that mean *Money* to You

Fully as great as the recent advances in passenger car tire construction are the improvements which Goodyear now offers in truck tires.

New peaks of truck tire ability result from these new betterments—new reaches in efficient and economical motor transport.

New and improved tread designs, for example, provide greater go-ahead tractive power on Goodyear Truck Tires. Stronger and tougher tread compounds set up a new measure of Goodyear resistance to wear.

Extra durable body stock and structure extend still farther the vitality of Goodyear Tires, already the record holders for long life at low per-mile cost.

You ought to know about these Goodyear achievements if you are an owner or user of trucks. Goodyear Truck Tire Experts are at your command for consultation on the *right* type and size of Goodyears for your vehicles. Your local Goodyear Truck Tire Service Station Dealer is equipped and eager to give you the standard Goodyear Service that backs up Goodyear Truck Tire quality.

# GOODYEAR

THE GREATEST NAME IN RUBBER

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**Buy now, Buy right,  
Buy Famous Reading  
Anthracite**

## **PREVENT THE DEEPENING GLOOM IN MAN-MADE CANYONS**

As the man-made canyons of business lengthen in every corner of our land, we find them shrouded in an ever deepening gloom, the pall of smoke that challenges our claims to progress.

Business everywhere pays an increasingly heavy toll to the smoke nuisance. Lights must be burned more hours per day. Destruction visits every kind of material. Health of young and old is imperiled. Beauty is destroyed. Vegetation fails to flourish as it should.

The smoke clouds must be driven away, or cities will strangle. You can do your share of abating this evil most easily and economically by burning Famous Reading Anthracite—the cleaner Pennsylvania hard coal.

And you will have all the other advantages of hard coal heating—safety, dependability, long burning fires, little ash and work.

Progressive retail coal merchants have Reading Anthracite, or can get it.

**A. J. MALONEY**  
President

# **THE**

# **PHILADELPHIA<sup>AND</sup> READING**

# **COAL<sup>AND</sup> IRON COMPANY**

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MINNEAPOLIS • ST. PAUL • ROCHESTER • BALTIMORE • WASHINGTON • READING • MONTREAL, CANADA  
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# There's a Lot in a Name

By CARL GOERCH

Cartoons by J. D. Irwin

**S**O FAR as an unnecessarily large proportion of people are concerned, the town of Washington, North Carolina, does not exist; it is merely a typographical error.

No community likes to come under any such classification. That is why we folks down here in Washington, N. C., have been waging an intensive publicity campaign for many years.

Perhaps you, yourself, have noticed an occasional item in the papers, bearing the date line, "Washington, N. C." If you never had heard of this eastern North Carolina city you undoubtedly thought that the proof reader had gone to sleep on the job.

"Of course, it should have been 'Washington, D. C.'" you probably remarked to yourself.

Thousands of people evidently still have that same thought. Shipping clerks in northern cities, upon receiving instructions to address freight or express to Washington, N. C., cheerfully change the instructions and send the shipments to the national capital. Business men, upon receiving a letter from Washing-



A resolution was passed asking the nation's capital to change its name

wired his parents, who lived in Bangor, Maine, to meet him at Washington, N. C., the day before the marriage. The old couple never arrived. They spent three days in Washington, D. C., vainly hunting for their son, and then returned home.

"Let's do something to stop this annoyance," said a member of the Washington, N. C., Rotary Club about two years ago.

"What shall we do?" asked another member.

"Let's ask Washington, D. C., to change its name to something else."

## As One Rotarian To Another

**A** SHOUT of approval was accorded the suggestion. It was pointed out that Washington, N. C., which had been founded in 1776, was the first post office in the country to bear the name of the illustrious George.

That fact alone, according to the Rotarians, would be of sufficient weight to induce the other Washington to give consideration to our demands.

A resolution was drawn up and was passed unanimously. It was addressed to the Rotary Club of Washington, D. C., and it requested that organization's aid in helping to change the name of the nation's capital "in order to avoid existing confusion, annoyance and delays in the receipt of mail, express, and freight."

The Washington, D. C., Rotarians received the request with disdainful silence. But the newspapers enlarged upon the story in gleeful fashion. They made all kinds of suggestions for a new name. They sided with us and said that Washington, D. C., should by all means grant a request that had been made in such a respectful manner.

I received a letter from a clipping bureau, stating that they could furnish me with 364 editorial clippings on the subject, from papers published in this coun-

try and in others. Edmund Harding is secretary of the Rotary Club.

About a week after we had sent off that resolution, while others, the majority from indignant residents of the capital, were vitriolic against the plan. One lady wrote:

"It is the most presumptuous thing I ever heard of. Who cares anything about your little crossroad village? If there is any changing to be done, do it yourself and don't ask us to do it. I think your people are most impudent to tolerate any such thought."

## "The Original Washington"

**T**HERE were many others along the same line. We failed to receive a single encouraging expression from Washington, D. C., so we finally were convinced that the proposition was futile.

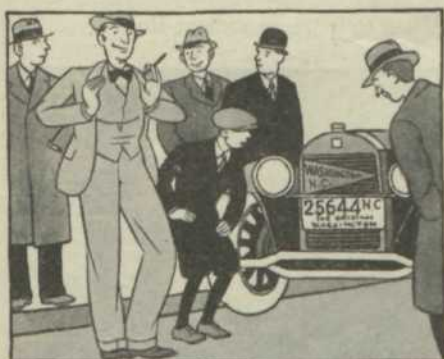
But as a follow-up, the new city license auto tags bear the inscription, "The Original Washington." This claim of originality on our part has met with some competition. There are about 30 towns and cities in the United States that bear the name of Washington. Washington, Ga., and Washington, N. H., contend that they are the "originals." Quite an argument was carried out in the newspapers of the three towns. Historical records were submitted and each town is confident that its own claim is based on authentic facts.

There's another thing that worries our people to a considerable degree, and that is the way that residents in other parts of North Carolina refer to us.

"I'm going to Washington," someone will remark in Raleigh.

"Washington, or 'Little Washington?'" a friend will ask.

Little Washington! Every time a res-



The new city license auto tags bear the title, "The Original Washington"

ton, N. C., blithely send their reply to Washington, D. C.

A large share of the mail directed to our town pays a visit to Washington, D. C., before it arrives here. Telegrams are delayed and often there is confusion in long distance telephone calls.

## The Absent Wedding Guests

**T**HERE even have been instances when people have purchased railroad tickets for Washington, N. C., only to cast startled eyes upon the Washington monument and the capitol at the end of their journey.

A young civil engineer, working in Atlanta, Ga., had met a girl from our town and had fallen in love with her. The date for the wedding was fixed and he



Twenty fathers vied to see who could first put his baby to sleep



## Cut Maintenance Painting Costs 60% to 80%



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Spray Paint Factories, Public Buildings, Hospitals, Hotels, at a Fraction of Hand-Painting Costs!

Your maintenance man can quickly learn to cover 1,000 or more square feet an hour. Our simple directions start him off right. The broad sweep of the spray penetrates cracks, splits, and crevices no brushes can possibly reach. All surfaces, no matter how rough, are covered quickly and uniformly.

The Binks Spray Gun, famous throughout industry for the finishing of fine products, applies any oil paint, lacquers, varnishes, graphites, aluminum paints, etc.

### Own Your Own Outfit Pays for Itself from the Start

The Binks Portable Spray Painting Outfit pays for itself quickly. With it you can repaint interiors and exteriors frequently at a low cost;—your handy man can re-finish business furniture, equipment, trucks, wagons, etc.

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# BINKS

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Dept. A 3128 Carroll Ave., Chicago

Representatives in Principal Cities



Reuben C. Bland, father of 34 children, was presented to the President

ident of our town hears that qualifying term he begins to get hot under the collar. This feeling is pretty well known throughout the state. That's the reason why people use the expression more than ever. They know it makes us mad.

Our failure to get Washington, D. C., to change its name evoked another discussion in the Rotary Club.

"It seems to me," said one of the members, "that the only way we can gain recognition is to keep the name of our town in the papers of the country."

"But how are we going to do that?" someone else wanted to know. "We don't have any sensational divorce cases and we don't average a murder once a year." "We can get other kinds of publicity," insisted the first speaker.

Future happenings proved that he was right. If you had been on the watch for mention of Washington, N. C., in the newspapers during the past few months, you would have run across various items at frequent intervals.

For example, there was that contest that we staged among 20 fathers to see who would be the first to put his baby to sleep. The daddies sat together and labored strenuously with their offspring in the effort to win distinction.

### Mothers Offer Advice

MOTHERS on the side lines offered advice and encouragement. The babies didn't seem to know what it was all about. Going to sleep apparently was the last thing that most of them were thinking about.

At the end of nine minutes, Ford S. Worthy, local druggist, rose from his chair and exultantly called attention to his year-old-son, sleeping peacefully in his arms. He was awarded first prize—a package of safety pins.

Pictures of that contest were printed in newspapers all over the country.

Some few months ago, Reuben C. Bland, the Martin County father of 34 children, gained national distinction. I took him to Washington, D. C., where he was presented to President Coolidge and also to Congress by our representative, Lindsay C. Warren.

The papers gave Reuben much space. Washington, N. C., received the publicity that it wanted. Reuben also received many letters, including one from a widow in Iowa proposing marriage. He

rejected the offer, explaining that Mrs. Bland was not in sympathy with it.

Whenever an important convention is held, Washington, N. C., makes a bid for the next meeting. This applies principally to national conventions. Of course, we have never landed one of them, and we wouldn't know what to do with it if we did succeed in getting it.

Washington has a population of only 7,000, and if some convention with several thousands of delegates were to accept one of those invitations we extend, our people would have quite a problem on their hands. But we manage to get the publicity free.

Have you a radio in your home? The next time you listen in, perhaps you will hear one of the announcers say something about Washington, N. C.

The frequent mention results from a plan sponsored by the local Chamber of Commerce. Our citizens were urged to telegraph their favorite stations, asking for certain musical selections. The people were struck with the idea and scarcely a day passes now but that the local telegraph offices do not send two or three messages to various radio stations.

### We Resort to Poesy!

WE even went so far as to compose songs in honor of Washington. One or two of these have gained considerable popularity, particularly a march that has been sung by delegates at many conventions. Its refrain expresses this highly sanitary sentiment:

"I'd rather wash, wash, wash in Washington  
Than to bathe in ancient Rome . . ."



When that happens, we will sigh  
with relief and rest from our labors

Who knows! Perhaps the time will come when two men will meet in New York City, and one of them will say to the other:

"Well, I'm leaving for Washington in the morning."

"Are you? Write me if the fishing is good down on the Pamlico River. I've been wanting to go there for the last month."

"Oh, I don't mean Washington, I mean Washington, D. C."

And when that happens, the citizens of the "Original Washington" will heave a sigh of relief and rest from their arduous campaign for recognition with the consciousness of a task well done.



**YOUR  
PROFIT  
LINE**



## The Answer Cannot be Delayed



Standard Imprinter — prints through a ribbon and is especially adapted to imprinting records, dealers' booklets, house and shop orders, labels, etc. — 20 to 30 a minute!

**B**USINESS will be good in 1929 for those who make it good. Net profits will be greater for those who adopt definite, practical, money-making plans. It's a matter of right viewpoint — right plans — right organization — ACTION!

Your profit line will go up if you sell more at less cost — or if you hold your present volume and reduce expense. A dollar saved is 100% profit!

In the smallest stores as well as the largest institutions Addressograph products are pushing PROFIT lines up. "1,800 new accounts" — "3,600 orders" — "\$75,000 savings annually". . . . . Such are records of users.

The Addressograph representative wants to tell you how Addressograph machines will keep the 1929 profit line UP for others in your line—and how they will do the same for YOU. Call or write the Addressograph representative near you; or mail the coupon below and full particulars will be sent to you without obligation.

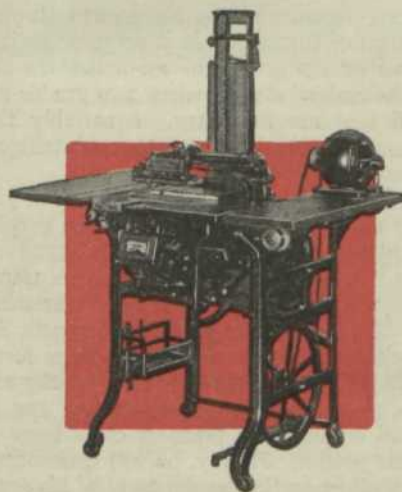
Sales and service agencies in the principal cities of the world.

ADDRESSOGRAPH COMPANY, 909 W. Van Buren St., Chicago

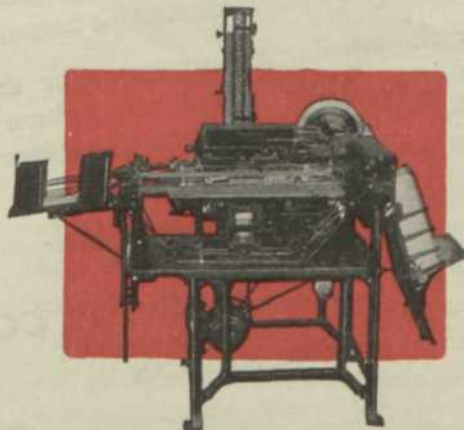
Canada: Toronto, Vancouver, Montreal.

European head office and factory: London, England.

Manufacturers of Graphotype, Addressograph, Dupligraph, Cardograph



Universal Ribbon Print Electric — especially adapted to addressing and "Filling-in" letters — 20 to 30 times faster than typists — but also handles name and data writing on all forms, 2,000 to 3,000 impressions an hour!



Super-speed Automatic — feeds and imprints forms at great speed of 7,500 an hour! Prints bills, notices, and other forms in duplicate, triplicate or quadruplicate.

# Addressograph

TRADE MARK

PRINTS FROM TYPE

Mail with your  
letter-head to

ADDRESSOGRAPH COMPANY,  
909 W. Van Buren Street,  
Chicago.

Please advise how Addressographs  
will increase my sales and reduce  
my operating expense.

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1-1929



# PARKERIZING is Rust Proofing

*One man may break a path by accident—a few may follow because the path is broken—but the multitude makes it a beaten trail because it is the easiest way to a certain point.*

**T**HE universal acceptance of Parkerizing by industry indicates that it is the easiest and most direct way to apply rust-proofing.

A list of users of Parkerizing is a cross-section of the top layer of world industry.

Parkerizing is not a paint or a metallic plating—it is a chemical conversion of the surface of iron or steel which provides an effective rust-proof finish. It is applied to fine springs or heavy castings with equal success.

Any manufacturer can easily install the few tanks necessary for Parkerizing his product, thus insuring it against corrosion and increasing the satisfaction of his customers.

For the smaller manufacturer or those having an intermittent demand, there are Parkerizing Jobbing Service plants located in twenty-five industrial centers.

Write today for your copy of "The Parker Process" and "The Parkerizer"

**PARKER RUST-PROOF CO.**  
2179 EAST MILWAUKEE AVENUE  
DETROIT, MICHIGAN

**PARKER  
PROCESS**

## The Wholesaler As I See Him

(Continued from page 20)

we have ever made. Its outcome will determine a turning point in our business. Good merchandising, in our estimation, is the shortest, straightest line of distribution between our factories and the consumer. A wholesale distributor can conduct a large part of this work better and cheaper than we can do it; but a jobber of goods in the old sense of the word cannot accomplish it. We can no longer distribute our product through houses that buy their goods from any manufacturer who will quote the lowest prices, and then attempt to sell them entirely on a price basis. That is not merchandising, and it is demoralizing to orderly distribution.

### Jobbers' Function Necessary

**W**E have heard far too much about the possible elimination of the jobber. The functions performed by the jobber cannot be eliminated. The manufacturer can take them over; or manufacturers in various noncompeting lines can club together and organize their own wholesale outlets. It is simply a matter of conforming to economic principle, and if wholesale dealers in all lines do not conform they will be eliminated.

To remain in business, it is obvious that wholesalers will be compelled to adopt and live up to fair and consistent buying policies, to concentrate on a well rounded line of goods which they can sell consistently, and to support manufacturers who have consistent selling policies.

As it is, distribution of goods is overburdened with unnecessary expenses due to duplication of lines in the wholesalers' warehouses, and the consequent slowing down of turnover. It is common to find five or six grades of an article in the wholesalers' stocks, when two grades are all that are necessary. Invariably this accumulation is due to the unintelligent demand for lower prices.

The time is coming when it will be just as unusual to cut a price in the general distribution of manufacturers' products as it is now for real estate and insurance men to compete by cutting commissions.

The wholesaler who survives will develop an aggressive, creative sales force. He will carry representative stocks and adhere to standard merchandise, and he will conduct his business on a basis of fair profits. Finally, he will concentrate his effort on the development of his natural territory.

Many wholesalers in various lines have taken the attitude that they are only warehouse men, and that it is the manufacturers' place to initiate business. If this be so, then in all fairness the service can be performed cheaper by strictly warehouse men. Also, if it be so, then why do wholesalers employ salesmen?

No, it is the wholesaler's business to distribute the manufacturers' products; and to do this most economically he must both initiate and develop business, as well as warehouse and distribute goods.



# White Paint for Plant Efficiency



*Zinc pigment white paints have been used throughout the interior of The Cincinnati Terminal Warehouse, the largest warehouse in the State of Ohio.*

"WE try to make as thorough a study of building efficiency as the expert machine designer makes of machine efficiency," states W. V. Fetick, Vice President and General Manager of The Cincinnati Terminal Warehouse. "Such a study shows that paint, particularly white paint, is a prime factor in building interior efficiency. Maximum light and proper distribution of this light; cleanliness; cheery surroundings are all due in a large measure to frequent painting. White paint improves not only our structure but the working conditions and working attitude of all connected with this warehouse."

White paints containing substantial proportions of the zinc pigments (zinc oxide and

lithopone), mixed with the proper oils and driers, are the best interior paints. They are permanently white, easily washable, and exceptionally durable. Any manufacturer of quality paints can furnish you with zinc pigment paints. And The New Jersey Zinc Company, manufacturers of zinc pigments, will gladly explain why better interior paints contain zinc oxide or lithopone, or both.

## The New Jersey Zinc Sales Co.

160 Front Street, New York City

Please send me a booklet telling why better paint jobs are obtained with zinc pigment paints.

Name \_\_\_\_\_ Position \_\_\_\_\_  
Company \_\_\_\_\_ Address \_\_\_\_\_

N. B. 119



# ZINC PIGMENTS IN PAINT

When writing to THE NEW JERSEY ZINC SALES CO. please mention Nation's Business



# Getting the Most Out of Science

By Dr. FRIEDRICH BERGIUS

*Internationally known Fuel Technologist*

*In an interview with William Boyd Craig*

**I**N a year from now about 20 per cent of all the gasoline consumed in Germany will be made by liquefying coal."

The speaker was Dr. Friedrich Bergius, of Heidelberg, the man whose discoveries have made his own statement a strong probability. He is the man who startled the coal conference at Pittsburgh two years ago when he announced that his gasoline made from coal was ready for the market. Much of the interest in the second conference, held last November, might be traced to this outstanding scientist who created such an impression at the first.

American science knows him, but it seems worth while to give American business a glimpse of this practical idealist who toys with the elements so successfully. Middle-aged, his years of intense mental activity are evidenced in his manner of thinking rather than in his physical appearance. His person is clothed with meticulous neatness. Time has softened, rather than hardened his face, which is singularly kind.

He has an engaging way of inflecting his words with his eyes, which seem to glow more brightly as he warms to a subject. Before each sentence he pauses, not so much to grope for words as to think the sentence through before speaking. His manner is judicial rather than executive; yet he has won marked success in a field calling for executive abilities. He is both a pure and an applied scientist.

## Process Is no Longer New

**T**HERE is no better way to give an insight into his mind than to record parts of his conversation. Regarding his process, he said:

"It is based on the action of hydrogen on coal at a high pressure. It can not be called exactly an artificial process, for the materials are themselves natural. The patents were taken out in 1913; you see, it is not a post-war de-



Dr. Friedrich Bergius

velopment abroad, it becomes after a time impossible to increase exports. Then a nation must decrease imports in order to keep a good balance. That has been true with fertilizer, for instance, in Germany. We now make it from the air."

## Brains, a Natural Resource

**W**HEN it was suggested that only a few chemical elements seemed necessary in a country richly endowed with brains, Dr. Bergius agreed and continued:

"It is the job of the chemist today, in many countries, to take elements in whatever state they occur and put them together in the same combinations in which they are found in lands favored with natural resources.

"When a country is at war, it is vital that it should be able to maintain itself without outside help, is it not? Then it must be able to produce its own food, including food for cattle. Being able to make that food synthetically is one of the jobs for the chemist. We are doing some of that, making food from wood.

"At the first coal conference, when I had the pleasure of reporting on the chemical and technical labors which have become the basis for the liquefaction of coal, I pointed out that the reaction for the liquefying was found as a result of painstaking and purely scientific investigation of the transformation of cellulose into coal by a method which was developed in my former laboratory from 1910 to 1913.

"All over Germany, I believe that a

realization has grown up about the value of science to the progress and well-being of the people. We are beginning to realize that Ph. D's. and Doctors of Science are a national asset.

development. Much capital is necessary. The method, often called the Bergius process, is now marketed by the dyestuffs combine. For two years it has been on the market, and is able to compete successfully. When it takes 15 years to make an invention a market factor, it is easy to see that much faith is necessary.

"The chemists of Germany have always the definite problem of making the most of what they have. With all nations struggling hard to sell excess prod-

## Look to Science, not Government

**I**T USUALLY is that when a new government comes into being, the people look to it as the cure for all their troubles, and as a source of great hope. I believe that was true in the United States for the first hundred years of its existence. It seems now that America is looking less to government and more to science, though much interest is yet held in government, of course.

"In America, the very keen commercial competition is giving to science a fine impetus. The research establishments of the great industries are doing much good work.

"Much that we are doing in Germany would not need to be done in America. America has enough petroleum to supply her gasoline for many years. Utilizing waste is not yet vital in America. For instance, the question of fertilization of the land is not to Americans what it is to Germans. Waste wood is used in the making of our synthetic foodstuffs. Germany is not a naturally rich country. We must make the most of what we have."

I left that interview with much to think about. Coal from wood. Gasoline from coal. Food from wood. Fertilizer out of the air. And all discussed in an easy, conversational way by this personable German gentleman. The topics become more and more amazing as they settle down in retrospect. So does the man.

Dr. Bergius is probably the best-known authority in the world in the field of fuel technology. His father was well-known in the chemical industry before him. Dr. Bergius was a student and teacher of chemistry before he began his experiments on the liquefaction of coal. From a scientific standpoint his process is highly successful. From a practical point of view he is only beginning to enjoy the fruits of many years of study.

His story is but the parable of the talents retold, with a somewhat up-to-date revision. Given but a fraction of a talent in the way of raw materials, he turns it into ten talents' worth of finished product.

"We must make the most of what we have." In those words of his lies the whole philosophy of a mighty nation.





THE PRESIDENT SUITE  
*Proudly exemplifying the fine craftsmanship and correct style of Leopold installations*

## *"The Spirit of Gracious Living Moves Down Town"*

FOR executives whose present day success has outgrown their earlier day surroundings, the Leopold Office Engineering service creates ensembles of gracious dignity—stately, rich and correct in every detail. Such complete office ensembles are outward expressions of success—symbols of achievement.

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Leopold dealers in principal cities make Leopold engineering service easily available to every executive. Write for name of Leopold Office Engineer located near you...and for our deluxe Brochure—"The Spirit of Gracious Living Moves Down Town."

THE LEOPOLD COMPANY  
*Burlington, Iowa*

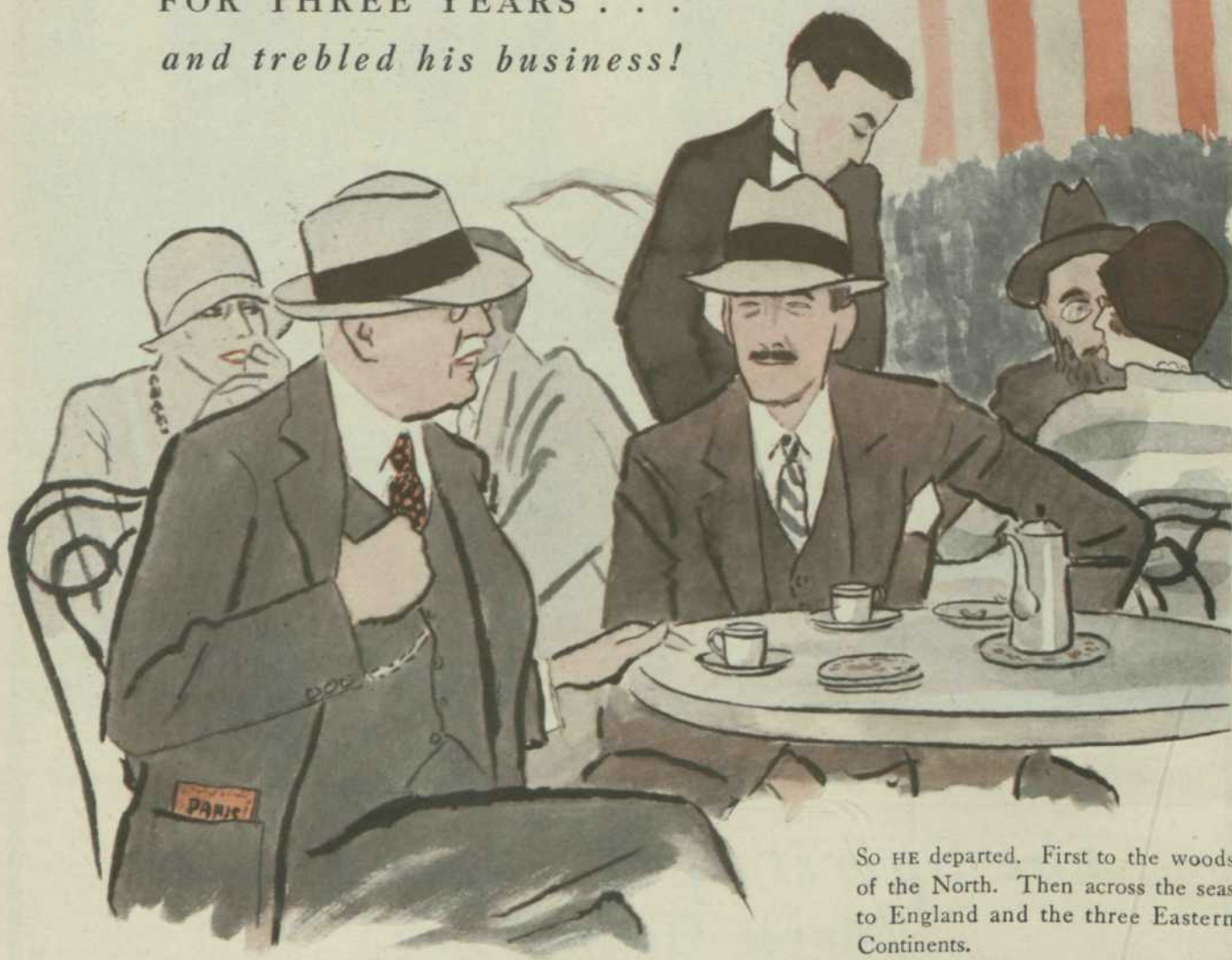
*Leopold*  
FINE OFFICES

BUILDERS OF FINE DESKS AND OFFICE FURNITURE SINCE 1873



HE PLAYED "Hookey"

FOR THREE YEARS . . .  
*and trebled his business!*



THE veteran head of a great American business called together his department heads and associates. "Boys," he began, "I've got to play hookey. Something has snapped inside of me. And I want to get out before I'm carried out. "But please understand, I want to get out physically . . . not mentally. I'm depending on you to keep me closely in touch with all that goes on. I want my mind to stay with you, even though my chair is vacant."

So HE departed. First to the woods of the North. Then across the seas to England and the three Eastern Continents.

Wherever he went, there followed him the records and reports of his office. Typed and charted business facts and figures. Statistical "televisions" that enabled him to see into every nook and cranny of his business.

Three months after his departure, things began to happen.

From a fishing camp in Maine came a letter from the absent chief suggesting new colors for the new season's goods. It was the first time "eye-appeal" had been added to this prosaic product. And the new line sold like "hot cakes."

From Paris, he mailed a series of new



## THE EMANCIPATION OF THE AMERICAN BUSINESS MAN

model designs, created by a French stylist, in the modern manner. Again, a trade sensation was registered almost overnight.

From Germany, he cabled a production short-cut which saved 15% in factory overhead, while improving the quality of the output.

Scarcely a week passed which did not bring a message from the Absentee Landlord, suggesting new ideas for



the advertising department, hot stuff for the sales force, helpful hints to the executive personnel.

For the first time in thirty years, freed from the fetters of detail, the business veteran found himself playing a complete and unhampered *thinking part* in the conduct of his business.

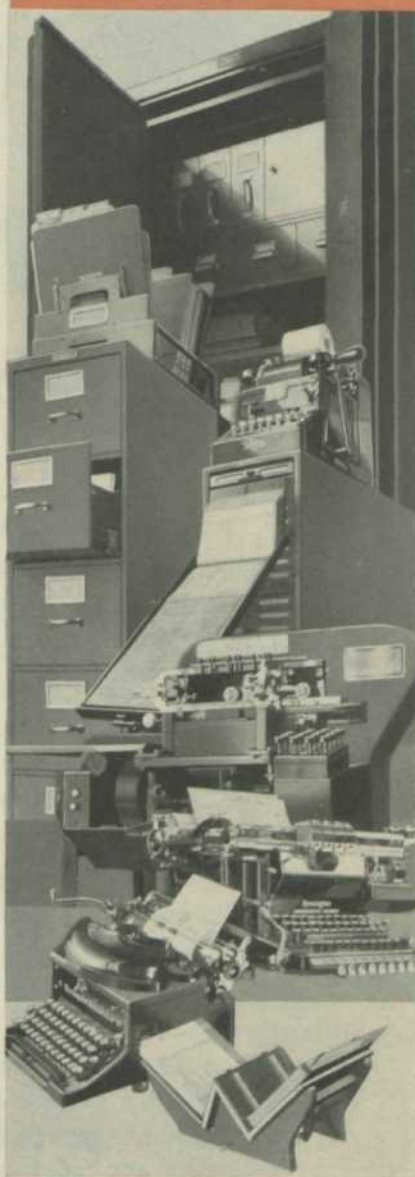
"The rolling stone may gather no moss," he chuckled, "but it picks up a lot of new ideas. Besides, moss belongs to the desk-tied mossbacks."

• • •

WHAT a man accomplishes in business depends largely on his viewpoint. His business can go no further than his aims and dreams. If he confines his viewpoint to the needles and pins on the office floor, he will never envision Opportunity's heights.

The Absentee Landlord was able to direct his business from afar because he never got away from its control. The facts and figures that kept this

### THE GREAT EMANCIPATORS



control with him came to him automatically. He did not have to stay on the job to dig them out.

The business machines and methods which automatically furnished him this constant mirror of his business were products of Remington Rand.

These machines and methods are largely responsible for the emancipation of the American business man from desk-confining detail drudgery. They have replaced memory in keeping the records of business. They have vastly reduced the need for hand and head work in charting the day's results.

### *Use this amazing new Business Service*

THE LEADING manufacturers of business appliances have recently merged into one organization . . . Remington Rand. There is nothing comparable to the service it renders, here or abroad. No such central station for the reception of ability and intelligence, and the broadcasting of proved, *exact* methods has ever been in existence. It offers a single source of supply for business equipment. And it combines 4,000 trained business analysts into a field force that can beat down the most complicated obstructions to better business.

*A telephone call . . . makes  
every man in this army your  
ally, at no cost to you*

WRITE or telephone for a Remington Rand man. No matter what your need, it will be met adequately and with intelligence. No matter what your problem, it will receive the attention of a trained mind. Hit or miss office arrangements, stumbling routine, inefficient machines and ineffective employees may be costing you hundreds, even thousands of wasted dollars. Get the truth. Telephone our local office, or write Remington Rand Business Service Inc., Remington Rand Building, Buffalo, N. Y.

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DALTON Adding and Bookkeeping Machines . . . KALAMAZOO and BAKER-VAWTER Loose Leaf Equipment  
Sales Offices Everywhere





# The Battle *is to the SWIFT*

In the war-long aerial combat that waged above that swath of desolation men have called the Front, in those mad days when Spad was ranged against Fokker, Circus against Esquadrille, the battle was to the swift.

And to the swift it has always been and always will be—in industrial competition as surely as in the sterner conflict.

Today manufacture must be speeded up, unit costs cut down. Output must be added to . . . Mass production is the word!

Executives keyed to the tempo of the times know these things are not to be accomplished except by attuning the labor of their workers to the rhythm of machines—machines that perform the exhausting toil and set the pace.

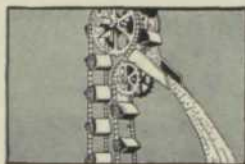
Bartlett-Snow engineers, with their many years of material-handling experience from which to draw, have been eminently successful in applying conveying and processing machinery to a diversity of industries. They have doubled and quadrupled output with the same floor space and crew, lightened each man's labor and reduced the rejection loss. They will be glad to co-operate in a study of your problems if you call on them.

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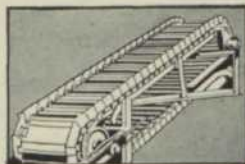
## Bartlett - Snow



SKIP HOISTS



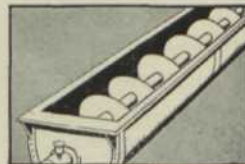
BUCKET CONVEYORS



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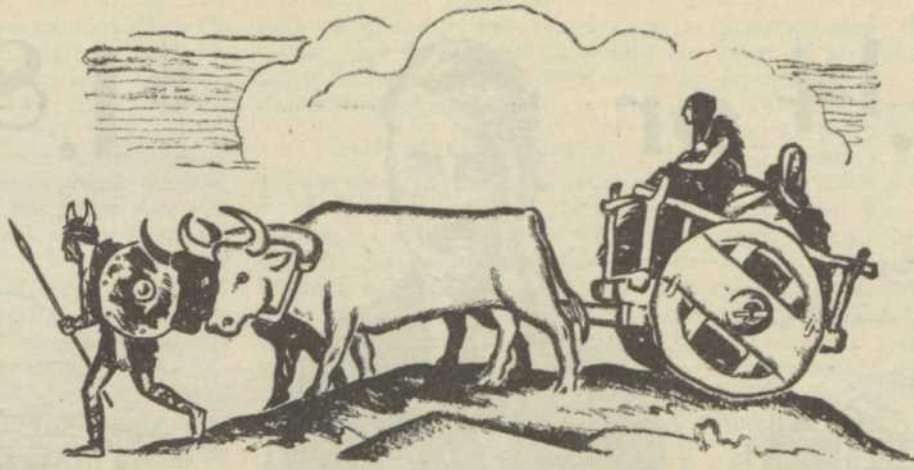
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**ELEVATING CONVEYING PROCESSING MACHINERY**





# What the Wheel Has Done for Us

By WAINWRIGHT EVANS

**W**HEELS,  
WHEELS,  
WHEELS!  
They're every-

where today—on your automobile, beneath the bed you sleep upon, scattered through the power plant that gives you electricity, in the factories, offices, and mills that provide you with the other comforts and necessities of everyday life.

And just as today the essential work of the world cannot be done without the wheel, so has it ever been since the first beginnings of what we call civilization.

Roughly there have been three periods in human history, considered with relation to the wheel. First there was the period before the wheel was known—a time unimaginably long ago. Second there was the period of the wheel as a burden bearer, an instrument of transportation pure and simple; that period lasted until about a century ago. Third came the wheel winged with speed. That is where we are today.

And the wheel winged with speed has done more things to human civilization during the last 50 years of its steadily increasing momentum than the wheel without speed did through the ages of recorded time.

The wheel ranks with the use of fire and the use of metals as possibly the most important among man's acquisitions. Nobody knows who discovered it. Probably it is far more ancient than any of the prehistoric records from which anthropologists try to reconstruct a picture of the earliest life of our race.

As to how the thing started, one man's guess is about as good as another. When I consulted a learned anthropologist on this point his eyes twinkled.

THE WHEEL is one of the commonest of mechanical devices, but most of us know little of its history. The wheel has been perfected in exact measure with man's advance. Our own day has seen it make its most important development—a development that has made possible our modern age

"Sure, I can tell you how it started," he said. "One day while Eve was raising Cain, Cain got the colic. Eve could find no way to quiet him, because the trick of laying the baby across the maternal knee and trotting him up and down to get the wind out of his tummy hadn't been discovered yet.

"Eve was in despair. She put Cain into the rude box Adam had made for him, and instinctively she began to jiggle it. But it was heavy, and it wouldn't jiggle.

"Now it chanced that a few days before Eve had incautiously stepped on a bit of log at the door of the cave. The log had rolled out from under her, and Eve, after rolling several feet with the log under her, had sat down very hard. Thus Eve learned an important lesson in mechanics.

## Necessity, Mother of Invention

"NOW, as her eye fell upon the log, Eve got an idea. She put that log under Cain's box, and began rolling the box back and forth to such good purpose that Cain fell asleep. The next night Cain demanded to be rocked to sleep in just the same way—and the next and the next, until Cain became badly spoiled and would never sleep unless rocked.

"So the wheel started, and it's going yet. Today you and I are so bewheeled that we have traffic laws, roaring locomotives, and booming factories, until life becomes a merry-go-round that rotates, sometimes, a lot too fast."

The fancies of the learned anthropologist are not so frivolous as they may seem. They do indicate a way in which the wheel might have been discovered.

Anthropologists are generally agreed that the use of the roller was probably antedec-

ent to the wheel. The next step was probably to trim down the middle portion of the roller, leaving two rough wheels attached to a rotating axle. Such an axle can be made to rotate in one place by the use of pins on the under side of a box or sledge. In some remote sections of India today they use a device almost as primitive as that. It consists of two roughly-made wheels on a rotating axle, kept in place by the use of pegs on the under side of the body of the cart. Bull-ock carts made like that were in use in Lisbon as late as 30 years ago. That is impressive when you consider that that contraption is probably about as old as the wheel, and that the wheel is supposed to have originated in the Stone Age, from 200,000 to 500,000 years ago.

They have an aboriginal cart in some of the remote parts of Mexico today which is about one step in advance of the arrangement described above, in that the wheel is built up to the greater diameter, and a hole is burned through its center so as to enable it to turn on an axle. This Mexican wheel consists of three pieces, attached to each other by wooden pins, and made with three tools, the axe, the machete, and the burning iron. The method is to hew out a rough plank, about five feet long and a foot or less in thickness. A hole is burned through the plank's center to take the axle. Segments are then added to each edge of the plank by means of wooden pins driven



\$1.14 or

\$1.84



## WHICH WOULD YOU RATHER PAY?

COMPARE these costs. They represent equal amounts of finished work. The higher cost is a composite for a group of factories in a part of the country that has had a long and unbroken industrial development. The lower figure represents costs for work of identical quality produced in Piedmont Carolinas.

Which would you rather pay? Which would enable you to sell your output more readily? And why this great difference?

It is not difficult to answer that last question. Costs are so much lower in Piedmont Carolinas not only because production is high but also because this section is not congested, closely built-up or highly industrialized. In other words—

Housing costs less, and results in lower rents and lower cost of owning a home. Land, building materials and building labor all are relatively less.

Food costs less. For every worker in industry, three are still on farms, available for factory employment. A majority of the factory workmen have their own garden patches.

Clothing and heating both cost less, due to the fact that winters here are 15° to 25° warmer.

Health is better here, Piedmont Carolinas hav-

ing one of the lowest death rates in the nation. There are fewer doctors' bills.

Labor turnover is negligible, and—of utmost importance—productiveness per individual worker is high. There is no city-bred unrest. Being 99% native born, there are no un-American ideas of shirking on the job or restriction of output.

Instead, there is steadfast loyalty, ready, willing intelligence and a full measure of initiative and ambition to get ahead.

Those facts, readily verified, reflect themselves in lower labor costs, lower overhead and greatly increased profits.

Manufacturers, learning of these savings, have located here at the rate of one every five days for several years. Now the rate is one every four days. And still there is room for all.

**FACTS.** Why not get the facts, set forth in the booklet, "Piedmont Carolinas, Where Wealth Awaits You"? Your request to Industrial Dept., Room 122, Mercantile Bldg., Charlotte, N. C., will be answered promptly. Write.



## DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS



into holes made by the burning iron. These pieces are then rounded off to the required curve. Sometimes they are made from curved pieces hewn from natural crooks. There you have it, and it goes a mighty long way back—so far back indeed that it makes you a bit dizzy to think that here is an actual, tangible, concrete link with the Stone Age still used by human beings in this twentieth century, three, four, or five days journey from the wheeled traffic at Forty-second Street and Fifth Avenue. Get into your automobile or your wheel-propelled airplane, and go look at it.

Vergil tells of solid wheels built up of three planks in somewhat this same manner, but held together by an iron hoop. This form of wheel is said still to be in use in southern Italy. Our word "wheel," indeed, may have originated in primitive man's effort to describe the device by imitating the noise it made. Webster's International Dictionary, for instance, gives the Anglo-Saxon as *hweogul* or *hweowol*; the Danish as *wiel*; and the Icelandic as the expressive *hvel*. There is a lovely squeak and a dismal groan in every one of those words; and "whe-e-el," the squeakiest, creakiest, most strident of the lot, survives, long after the coming of ball bearings, axle grease, and modern engineering.

The Greeks, the Egyptians, the Persians, and the other ancient peoples used the spoke wheel. The Greeks like four spokes rotating on an axle; the Egyptians and Persians commonly used four spokes, but increased the number to six, eight, and twelve in war chariots.

### Sharp Wheels

THE Persians used a twelve-spoke wheel fitted with a studded tire, which was perhaps the earliest attempt to make a nonskid device. King Cyrus of Persia, about 540 B. C., devised stronger chariot wheels placed on lengthened axles for the sake of added stability. He fixed a horizontal scythe on each axle end, as well as verticle scythes underneath, for the greater discomfiture of the enemy. Thus the capacity of the wheel to complicate human life—and death—was already showing itself.

Egyptian sculptures show the ancient methods of bending the rims, shaving the spokes, etc. The first Grecian wheels were made of oak, and the later ones of bronze. Homer speaks with enthusiasm of copper tires, much as we talk of new styles in cord tires. He says, "Quickly Hebe fixed on the chariot the rounded wheels of copper, eight spokes, around an

iron axle; their fellows were indeed of gold, imperishable, but round tires of copper were firmly fitted, a wonder to behold." Probably the goddess of youth was putting on a spare.

### Early Mania for Speed

IT was about 1601, that the notion of the wheel with speed, or at any rate with more speed, began to make itself generally felt. Stage coach travel developed in England; and it became possible to travel long distances over the roads of that day at a speed of four miles an hour, in springless wagons. These the Londoner caustically called "hell carts," adding that they were a dangerous innovation and

a thing for transmitting power. Watt's invention made the wheel the revolving heart of an industrial order and of a machine age.

To us the change seems to have been gradual; but it has been a thing of lightning quickness, if you compare its span with the abyss of time through which the wheel itself has come creaking slowly down through the ages, bearing its burden, and learning as the eons passed to turn more smoothly, more easily, more silently, more truly in its plane.

After Watt came the invention of all sorts of power-driven machinery, and the building of factories to house them; and with that the speeding up of produc-

tion by making every man's labor count for that of ten or a hundred. The result was a terrific dislocation in an immemorial routine, and in the racially old habits of mankind.

At once there came into existence an astounding array of social and industrial problems which will doubtless beset us till our faculties of ethical insight catch up with our mechanical ingenuity. Many wrongs and abuses have resulted; and yet along with it all has come an increase of comfort and well-being for the average man such as was never dreamed of under the old order, before the day of the power-driven wheel.

### Increasing Momentum

ELECTRICITY and the internal combustion engine followed. For this half century now the mechanical energies and ingenuity of the human race have been bent to the problem of making more and more wheels turn faster and faster, with less and less friction, to the end that we might have the means of making more and more wheels that would turn still faster and faster, and do

more kind of work on our terrestrial merry-go-round. The momentum we have now reached is terrific, and is still increasing.

Back in the Stone Age some skin-clad artist pictured his dream of his primitive wheel in motion, in swift motion. He drew the swastika. That symbol conveys motion to the eye. Psychologists explain this by saying that the eye is impelled to follow the line of the thing around in a never-ending circle. However that may be, there it stands, a prophecy that is apparently as old as the wheel itself, an intuition of the qualities that were implicit in the wheel from the beginning. Some primitive artist conceived it; time has gestated it; and our own Age has brought it forth—the wheel with speed.

## A New Year's Song

By HARRY KEMP

WHO scorn the gifts by newness borne  
Are only little in their scorn;  
New wonders belt the world about;

Melodies from the stars break out;  
The air is crowded with brave flight;  
Cities lift fire against the night;  
Far-teeming industries endow  
The labored arm, the dreaming brow.  
Our name be energy, be growth!  
May the sick heart of blank-eyed sloth  
Bear no part in us, while the need  
Begets the high, transfigured deed! . . .  
The thrill of change shakes through the air  
Like sunlight going everywhere;  
The lusty epochs march; the skies  
Bloom, every dawn, with bright surprise:  
ONWARD the cry! by standing still  
No nation ever got its will!

were likely to cause injury to the public.

Coaches soon became so common in England, indeed, that a bill was introduced in Parliament "to restrain the excessive use of stage coaches."

The popularity of coaching stimulated road improvement in England. Soon coaching, which began as the luxury of the rich, became the necessity of the nation—as the automobile has become a necessity with us, and as the wheel-propelled airplane and dirigible promise to become necessities with our children.

The next big change was that which brought about the power-driven wheel, first the water wheel and then, through Watt's invention, the steam engine. Henceforth the wheel was no longer a mere instrument of transportation; it was



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All sheets are rigidly bolted together and to the steel frame with galvanized bolts. A sturdy, lasting structure is secured.

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Wherever you are located, Butler's 27 years' experience is at your service for large or small steel buildings: factories, warehouses, stores, power houses, garages, filling stations, offices, barns, airport hangars and many other kinds.

Catalog "C" pictures and describes Butler Ready-made Steel Buildings. Send for a copy today.

**BUTLER MANUFACTURING CO.**  
Kansas City, Mo. Minneapolis, Minn.

# BUTLER

READY-MADE  
STEEL BUILDINGS

When writing please mention Nation's Business

## Cooperatives and Common Sense

(Continued from page 25)

will be mentioned later. Taking a year when cotton and tobacco pools were functioning at their peak, 1925, we may put in the form of a table the volume of sales of various commodity cooperatives.

Sales of Cooperatives, 1925		Per cent
Grain .....	\$750,000,000	33.1
Dairy products .....	535,000,000	23.6
Livestock .....	320,000,000	14.1
Truck and vegetables .....	280,000,000	12.4
Cotton .....	150,000,000	6.6
Tobacco .....	90,000,000	4.0
Miscellaneous .....	140,000,000	6.2
Total .....	\$2,265,000,000	100

Grain, dairy and livestock account for 71 per cent of all cooperative sales. And most of this business is done by small local units. The farmers' elevator movement is now more than 40 years old. There are 5,000 of these farmers' elevators with one million members, \$150,000,000 of invested capital, and an annual turnover of \$750,000,000. This is the largest cooperative marketing business in the world. It is more than twice as large as the Canadian Wheat Pool.

Milk is the biggest crop in the United States. The per capita cotton crop is worth \$10; the per capita milk crop \$25. Large dairymen's leagues supply cities with fresh milk. The bulk of the milk in the United States, however, goes into by-products, such as butter, cheese and ice cream. The butter and cheese industry in dairy states, like Iowa, Wisconsin and Minnesota, is largely conducted in the local cooperative plants.

Two California cooperatives have been conspicuously successful for more than ten years. The California Fruit Growers Exchange is 23 years old, and the California Walnut Growers, 16 years old. They have first of all solved the big production problem—quality production. By severe culling, grading, and standardizing they have put on the market products of a quality and quantity that the market could absorb, in spite of the fact that their gross production has been rapidly increasing.

### They're On the Right Track

**BOTH** organizations have strong local units reflecting grower thoughts and feelings. These two organizations are sturdy and healthy, whereas their two big neighbor organizations—among prune and raisin growers—have failed. When prune and raisin cooperatives are again formed, the organizers will use the small local unit type, imitating the walnut and orange growers.

Cooperatives are, on the whole, getting on the right track again after the big spree of overpromotion. There are certain definite economic advantages to be had by farmers through cooperation, if and when the limitations are also frankly faced.

Among the minor advantages are the

curing of trade abuses. In many commodities, more particularly in live poultry, fruits and vegetables, these are deep-rooted and hard to overcome. It is wholesome to have the farmers themselves take a hand in the game.

Cooperation with the middleman is another of the lesser advantages. Most middlemen are honest and farmers can cheapen distribution of many commodities by cooperating frankly with them. When the farmers do call in the bankers, the railroads, and the dealers to help solve their problems, we call it "industry cooperation." This is one of the latest developments, but is making headway.

### Some Further Advantages

**MARKET** information is also gained. Market ignorance is too costly. The cooperative can buy very cheaply this information of market outlets and prices.

The cooperative likewise helps to put agricultural financing on a stronger basis. Plenty of cheap credit is now available.

Cooperatives in many ways may also tend to lower distribution costs. Transportation costs are lowered by shipping in car lots rather than in less than car-load lots. If grading and standardizing are well done, retailing is cheapened.

Too, within the limits of supply and demand, the well mobilized cooperative can practice collective bargaining. But there are very rigid limits to the amount of advantage here.

A farmer's official dairy paper in Boston recently printed the statement, "We fix the price of milk." The next week a Yankee farmer naively asked, "Why don't you fix it higher?"

The truth had to be explained that in making the monthly price, consumer demand had to be considered, for it was necessary to sell all the milk all the time, and the price had to be low enough to do this very thing, yet high enough to keep the farmers producing. This is what the economists call the supply and demand, or equilibrium price, which balances production and consumption.

The first major advantage of cooperation is the grading and standardizing of the product. This is a fundamental service, and must begin with the farmer. This service benefits both the producer and consumer, and makes possible a better, wider and cheaper distribution.

The second major advantage of cooperative marketing is its influence on production. It can and always should lead to better and more orderly production. It should bring about a better adjustment between producer and consumer demand, both in quality and quantity produced. This is the most fundamental service it can render.

Cooperation to succeed must have the right aims and right methods. Its structure should be fitted to its aims and methods. Within these broad lines, much relief can come through cooperation.



L. V. ESTES—Industrial Engineers—incorporated in May, 1912, after 17 years' continuous service, guarantee a 200% return on your investment in Estes service, or *no pay*. Proven savings for our clients make this offer on our part a perfectly safe arrangement on any assignment accepted.

Examination of present conditions will be made without expense or obligation to any reputable manufacturer with a business large enough to make above result possible.

Read the letter from Mr. Richard R. Hicks and then write us.

We will send more detailed information, or our survey engineer to make examination, and submit report.

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Incorporated  
Industrial Engineers

4753 Broadway  
Chicago, Ill.

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U.S.A.

November 19,  
1928

Mr. L. V. Estes, President,  
L. V. Estes Incorporated,  
Chicago, Illinois.

Dear Mr. Estes:

Responding to your inquiry we are glad to give you the results obtained from your services which we engaged after your preliminary survey indicated what could be accomplished through improved methods.

The service rendered has decreased our production costs equivalent to over 200% return on our investment—materially expedited production—made it possible by thorough and inexpensive inspection to ship customers on date promised. In addition we now know accurately at all times what our operating costs are and what our inventory is.

All of these features have increased our profits accordingly and we cannot speak too highly of the benefits received from the Estes organization nor can we commend your services too highly to other manufacturers in every way.

Yours very truly,

*Richard R. Hicks*  
President

REEL-K.





# Giving Till It Helps

By JOHN PRICE JONES

President, The John Price Jones Corporation

**A** FEW months ago I encountered a wealthy acquaintance who had just lately retired from the active management of a large and prosperous industry.

"You look as if you were enjoying life," I said. The principal thought in my mind was that he was probably having a considerable amount of leisure for the first time in years.

"I'm having the best time of my life," he assured me, "but some of my friends say I'm working too hard."

"But I thought you had retired?"

"Oh yes, I've given up my company work," he agreed, "but I'm doing a job that really takes more time and thought than my old position. I've sold out my entire interest in the company, as you probably know. I've squared all my accounts, and have made provision for my family and myself. Now I've started to give away the surplus. During the last month I've given away a million and a half dollars, and I've had the time of my life doing it."

## Philanthropy Needs Study

**K**NOWING something of his reputation as a business man, I feel certain that my acquaintance brought to his philanthropies the same intelligent consideration of factors that he gave to his own concern when he was responsible for dividends and profits. Not many men go about their benefactions so methodically, but to an ever-increasing extent, the men of America who give away such tremendous sums of money each year are demanding that philanthropy shall be ruled by the head as well as by the heart.

This is as it should be, and no one has welcomed the movement toward intelligent and responsible giving more than those organizations which, since the war, have been engaged in assisting America's welfare agencies to add to their resources.

American philanthropy has entered the realm of big business. A compilation of all statistics on giving in the United States during 1927 reveals the astounding fact that in that period America gave away a total of \$2,219,700,000.

The contributions in the various fields were:

Education .....	\$ 187,200,000
Organized charitable relief..	256,700,000
Health .....	204,400,000
Play and recreation.....	19,300,000
The fine arts.....	25,700,000
Miscel. reform agencies.....	13,000,000
Gifts to individuals.....	257,800,000
Religious purposes.....	1,079,900,000

expression of the giving of business. Without conscious thought of beneficence it has come about that American business in itself is one of the greatest philanthropies of all time, using the word "philanthropy" in its broader meaning of the spirit of active good will toward one's fellow men, especially as shown in efforts to promote their welfare.

For business in America has dedicated itself to the diffusion of beauty, comfort, and satisfaction. The beneficences of the age are but an overflow of the regular everyday life of business. In a very real way the United States is the greatest welfare agency the world has ever known. The voluntary diffusion of increased happiness for every individual is its aim and to the extent that the ideal is being reached the credit must go to American business.

One of the country's greatest philanthropists, the elder John D. Rockefeller, has well expressed this philosophy of giving and business in his little-known book of reminiscences published about 20 years ago.

"You hear a good many people of pessimistic disposition say much about greed in American life," he wrote.

## Not Money-Chasers

**O**NE WOULD think to hear them talk that we were a race of misers. I confess I have no sympathy with the idea so often advanced that our basis of all judgments in this country is founded on money. If this were true we should be a nation of money hoarders instead of spenders.

"Consider for a moment how much would have been left undone if our prosperous American business men had sat down with folded hands when they had acquired a competency.

"If a man has succeeded, he has brought upon himself corresponding responsibilities and our institutions devoted to men helping themselves need the brains of the American business man as well as part of his money.

"Men of wealth control great sums of money but they do not and cannot use them for themselves. The money is universally diffused, in the sense that it is kept invested, and it passes into the

## QUOTABLE QUOTES of the Month

PURE SCIENCE begat modern industry.

PROF. ROBERT MILLIKAN,  
California Institute of Technology

IT IS ONE thing to be the richest nation in the world and it is another thing to be morally fit to be that.

DR. HARRY EMERSON FOSDICK,  
Park Avenue Baptist Church, N. Y.

SCIENCE is enabling us to hold body and soul together and giving wider opportunities for the soul to develop.

CHARLES M. SCHWAB

THE CIVILIZATION of a race is simply the sum total of its achievements in adjusting itself to its environment.

HU SHIH,  
Chinese Philosopher

WHERE COURTS of the state fail in speed and justice, courts of private conciliation will supplement the tribunals of government.

CHARLES A. BEARD,  
Historian

THE MIGHTY instruments of good and evil which science is now placing in our hands are such as can only be rightly used by a high-spirited, good-tempered, cheerful and valiant generation.

L. P. JACKS,  
Editor, The Hibbert Journal

Foreign relief..... 214,500,000

Gross total.....\$2,258,500,000

Less income from endowments 38,800,000

Net total.....\$2,219,700,000

One of the mistakes made most frequently in considering the philanthropic manifestations of America has been the belief that giving was a thing apart from the economic and social life of the nation. The contrary is true.

The business of giving is but another

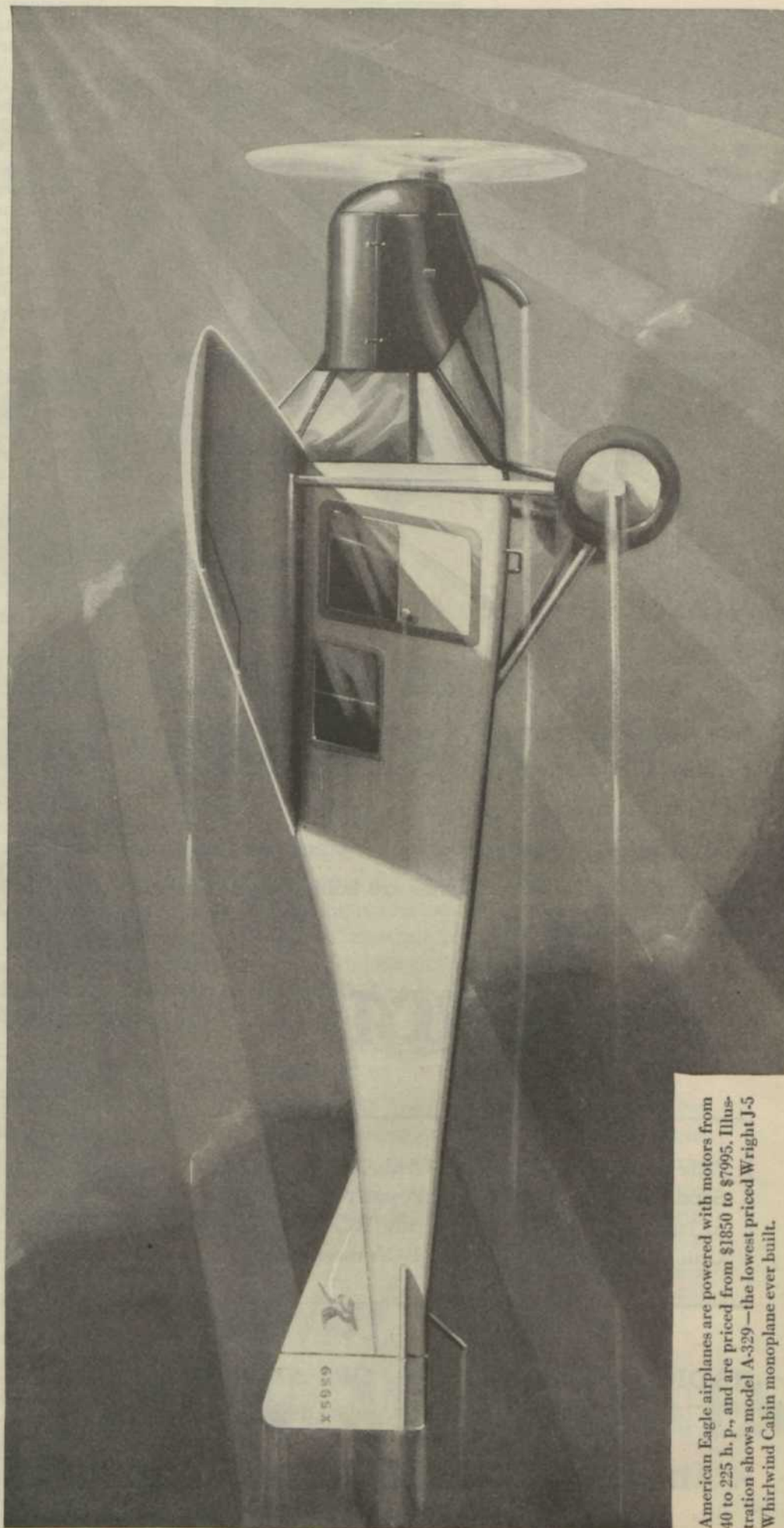


# They came.... They saw.... They Surrendered!

A few weeks ago, thousands upon thousands of people, crowding the Chicago Coliseum, witnessed the world-premier of the American Eagle Monoplane. And simultaneously, thousands upon thousands of minds were brought up to date. For here, at last, was the "airplane for everybody." Prejudices and misconceptions were surrendered. Flying, it was clear, had become just an everyday affair!

You, too, should be among the first to know what this new way of flying means. Let us tell you about it. Let us demonstrate to you that there is no longer any difference between owning and running a plane and owning and running a motor car—except in time outstripped and distance annihilated. See the American Eagle dealer nearest you—or write for interesting information.

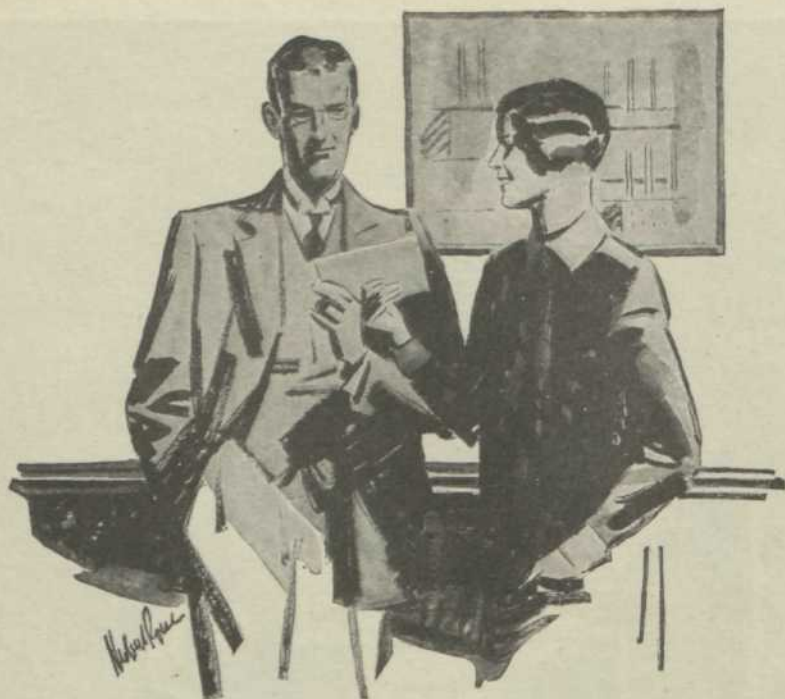
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American Eagle airplanes are powered with motors from 40 to 225 h. p., and are priced from \$1850 to \$7995. Illustration shows model A-329—the lowest priced Wright J-5 Whirlwind Cabin monoplane ever built.

VALUABLE SALES FRANCHISES ARE AVAILABLE IN CERTAIN TERRITORIES FOR WELL-FINANCED DEALERS AND DISTRIBUTORS





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*"Via RCA"*

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pay envelopes week by week." If America's philanthropic institutions are daring in their scope and magnificent in their performances, it is because the American business man, to a large extent, dominates the boards of directors or trustees which determine the institutional policies. If America's great corporation executives and business men have shown any one outstanding quality it has been vision, and to a considerable extent this vision has been carried over into the field of social problems.

More than any other belief which trustees of welfare organizations have expressed in considering fund-raising plans for their institutions has been the one that the job should be tackled in a big way. They have steadfastly refused to take a hand-to-mouth, short-sighted view of the future. They have agreed in spirit with those oft-quoted words of the late Daniel Burnham:

"Make no little plans; they have no magic to stir men's blood, and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded, will never die, but long after we are gone will be a living thing asserting itself with ever-growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Think big."

### Improved Ways of Giving

IN ITS welfare work, America is not only thinking big, but thinking intelligently. We have only to examine the old ideas of philanthropy to discover the tremendous advance which has been made in modern times.

When Julius Caesar became Emperor of Rome in the year 5 B. C., he found that more than 300,000 citizens were the recipients of the *lex frumentaria*, the right to buy corn from public granaries at about half-price. He reduced the number who received this "dole" by one-half but he could not upset the system.

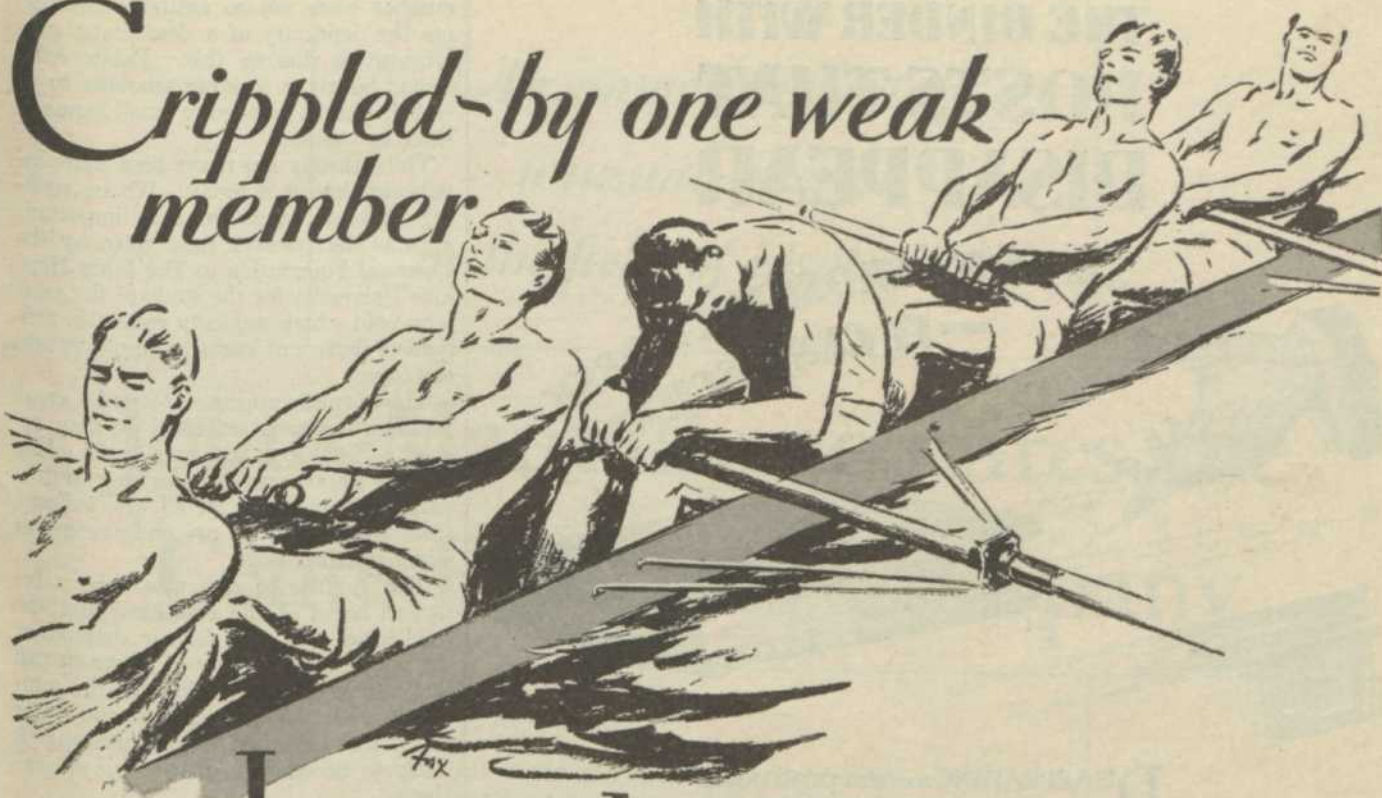
The Emperor Trajan during his reign educated children of the poor at his own expense, and it is recorded that probably two million persons of the state were maintained from his own purse. In Athens, General Cimon had acquired a great fortune in war, and he undertook to provide his fellow citizens with the necessities of life. He ordered the fences of his fields and gardens removed, so that everyone could gather fruit from his orchards and every evening he provided meals for all who sought his home. These benefactions partook of the nature of almsgiving and present a grievous contrast to the modern belief that the best way to help men is to enable them to help themselves.

Among early critics of this form of philanthropy was Aristotle, who passed a severe judgment upon the system.

"The demagogues distribute the surplus revenues to the poor," he said, "who receive them all at the same time; and then they are in want again. It is only like pouring water through a sieve. It



# Crippled by one weak member



## Is one slow operation crippling your production?

**I**T may be a complicated production process that is being done by hand because no machine has ever been built to do the work. It may be that some of your machines are not turning out work fast enough, slowing up your whole production, or not accurate enough, causing excessive spoilage. Nearly every plant has a cripple in its process of production. What is yours?

For the last few years Special Production Machines, Inc., has been engaged in the work of strengthening the weak spots in the production process of many well-known industrial concerns in the country. Our work has ranged from the creating of new machines that had never been built before, to replace costly, slow hand labor, to the speeding up of existing machinery, and the

redesigning of semi-automatic machinery to make it completely automatic. In a number of cases, manufacturers who have been conducting production research have enlisted our aid to help them bring it to a more rapid and successful conclusion. Our work in these connections has been instrumental in saving thousands of dollars, and in solving problems that manufacturers had finally given up in despair.

May we have the opportunity to help you cure the cripples in your production process? A booklet describing the services of Special Production Machines, Inc., how it operates and how it is helping manufacturers to better their production, will be sent to you on request. Special Production Machines, Inc., Norfolk Downs, Mass.

# Special PRODUCTION MACHINES

*A Division of* PNEUMATIC SCALE CORPORATION, LIMITED

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# THE BINDER WITH POSTS THAT DISAPPEAR

SLIDE IT ACROSS YOUR DESK  
—IT CAN'T SCRATCH!



**D**ISAPPEARING—non-protruding—posts are an outstanding feature of FLEXI-Post Binders. They save your desk tops. They save storage space, too.

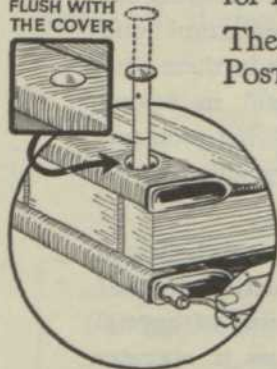
These posts are flexible and sectional, so FLEXI-Post has unlimited capacity. All sheets are gripped by direct screw compression—yet turning the key unlocks the binder and provides two inches of finger room for removing or adding sheets.

These exclusive features make FLEXI-Post unique among binders—they save time and save money through easier operation and wider utility. Most office supply dealers have FLEXI-Post or can get it for you.

Ask your local dealer.

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FLUSH WITH  
THE COVER



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tures of this  
great binder.

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the FLEXI-POST Booklet.

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Address.....  
Attention of:.....

were better to see to it that the greater number were not so entirely destitute, for the depravity of a democratic government is due to this. Public relief should be given in large amounts so as to help people to acquire small farms or start in business."

Philanthropy has never been more intelligent than it is today. We are striking at basic causes in such important gifts as the research fund given by the Chemical Foundation to The Johns Hopkins University for the study of the common cold which annually results in millions of dollars of losses to employer and employee.

The scientific approach toward a great problem is typical of what we may regard as intelligent giving. In the older era, the impulse would have been to provide cough medicine for all who suffered from colds; now we are endeavoring to eliminate the causes.

The impulse to give should be a judicious blend of the emotional and the intellectual. If the former dominates, the beneficence is likely to be gushy and ineffectual, directed mainly at the temporary relief of symptoms; if the latter is in the ascendancy, philanthropy is likely to become cold and unsympathetic.

The tests which should be applied to giving are not so very different from those which should be used in appraising an investment. Dividends in any event are desirable and necessary, although it must be kept in mind that in the one instance the dividends go back to the individual making the investment; in the other, the benefits are divided among the donor, the group directly benefited, and society in general.

## Generosity Our Forte

**T**HE banalities of life are all about us, and it is easy for the cynics to scoff at America's benevolences. But so long as American men and women are able to derive a sense of satisfaction from seeing a crippled child restored to a life of useful activity; so long as they delight in the thought that educational opportunities are being granted to every boy and girl, and so long as there are those who believe that ability to give carries a similar responsibility to support benevolent institutions, just so long will American generosity be a dominant characteristic of this nation.

## FIVE TESTS FOR GIVING

1. Is the project based on a sound idea calculated to meet a definite need?
2. Is the plan for putting the idea into effect a practicable one?
3. Has the project and plan received the endorsement of well-informed and responsible individuals familiar with the field?
4. Is there a sound, businesslike management and expenditure of all funds?
5. Is there assurance that the method of obtaining contributions is in agreement with the best modern practice of fund-raising and that the cost is not excessive?



*An announcement of  
unusual interest  
in the field of insulations*

## Johns-Manville acquires the Celite Products Company

IT gives me great pleasure to announce our recent purchase of the Celite Products Company.

That the Johns-Manville Corporation has thus broadened the scope of its activities in the manufacture of high temperature insulations, is, I believe, an important step forward in our service to industry. The personnel of the Celite Company will be merged with our own staff. This combining of the knowledge and experience of these two organizations will promote a greater usefulness to industry than was possible under separate managements.

This acquisition has a significance beyond that of the merging of facilities. The Celite Company specializes in insulations for the higher temperatures between 1500° F. and 2500° F. Thus, by including the famous Celite Products: Sil-O-Cel Insulating Brick, C-3 Concrete, Sil-O-Cel C-3, and Sil-O-Cel Powder, Johns-Manville is now able to offer a complete range of insulating materials of standardized quality.

We will, of course, continue to market the important filtration materials, Celite Filter-Cel, Super-Cel, and Hy-flow Super-Cel, Celite for Concrete, and Celite for Filters.

Johns-Manville is now ready to render a far greater service to industry than ever before. We have the man-power, the experience and the materials for meeting and solving any insulation problem—from 2500 degrees above zero to 400 degrees below zero.

We propose to keep up the leadership we have earned through fifty years of endeavor, and as today we have added to our resources by consolidation, so tomorrow our Research Engineers will provide new methods and materials for solving the problems the future is sure to bring.

THEODORE F. MERSELES, *President*

JOHNS-MANVILLE CORPORATION





# Industry Courts the Rainbow

By NAN HORNBECK

*Colorist, Pittsburgh Plate Glass Company*

Illustrations by Don Millar

**A**LITTLE while back some enterprising manufacturer thought he might as well throw a monkey-wrench into the works and start something. He did. That monkey-wrench was Color, of course. And as for those manufacturers who zealously embraced Color as their great salvation, some are now skeptical and others are frankly embarrassed.

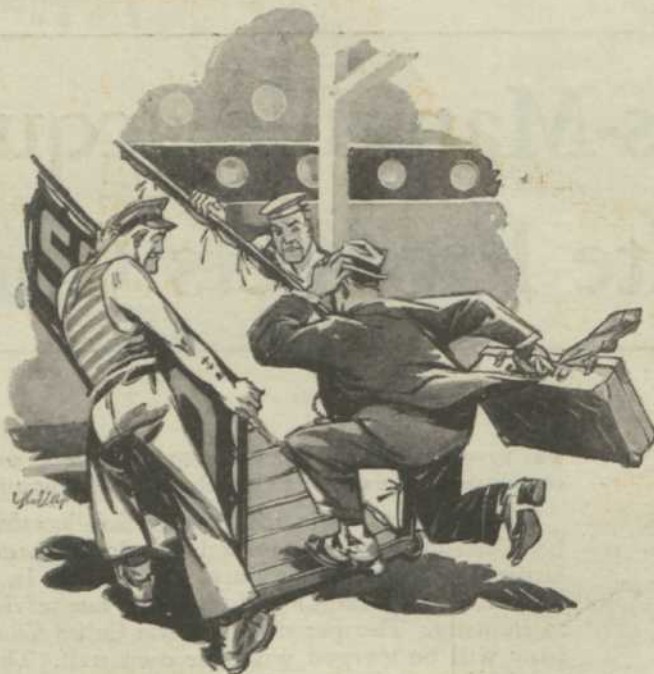
Color has indeed proved a dangerous toy, for the monkey-wrench has turned into a boomerang, and those who first wielded it are now playing dodger.

Aside from what Color can do to the one who has to live with it, its power for good or evil hits the producer first, last and hardest. For supposing he turns loose a few egg-beaters with blue, red and yellow handles, and finds that they go first rate. The dealer rubs his hands in glee and sends for carpet-beaters and sundry other items in like colors.

The housewife now is nicely started on accumulating a color scheme, say in cherry red. Eventually she decides to do her own washing with one of those pretty new machines, matching the rest of the kitchen—just for fun, of course.

Now, you can see what those little egg-beaters have accomplished—those sweet, perfidious little color schemers—for, of course, the washing machine must match the egg-beater. Isn't her entire kitchen—the curtains, breakfast-nook, linoleum, towels—all built up on, and revolving around that first happy inspiration for color?

But can the dealer supply larger pieces in the desired hues? Ah! Here comes the boomerang! He might show the lady a washing machine in a most delightful shade of peach, but no! It is cherry red she wants and has to have, else why did he sell her the egg-beater in the first place? Is the dealer down-hearted? So much so that the manufacturer who first sold



The manufacturer who first sold him on Color had best get started on that trip around the world

him on Color had best get started on that trip around the world!

It's not a joking matter. Something has to be done about it, for Color has just as many good points in its favor as the other kind. It's really worth experimenting with; worth the study of its whence, why, and whither.

In ancient and mediaeval times, Color and Form were inseparable. Color, like music, has relieved the emotions of pagan and slave, peasant and exile. Even the architecture was in colors. Then came the Reformation—and an end to rainbow beauty. The present furor is in reality but a Renaissance of this natural form of expression. So much for the whence of Color, which brings us to the question of its mission in our own times. This is the why of it:

Ours is an age of youthful supremacy, of the Pollyanna spirit making light of labor and hardship. Happiness is essential to youth—hence the phil-

osophic determination to make life a joy, and work, play; hence the modern bathroom in Venetian hues, a kitchen and breakfast-nook like a sunny flower garden, with everything from gas range to flap-jack turner in gay colors.

All of which ought to answer the third query, "whither goes it?" fully and finally, for anything which possesses the virtues of beauty and utility must endure forever—or, at any rate, until another Reformation bleeds our spirit white. Remember, Color has two phases—the aesthetic and utilitarian. The first we will accept offhand, and as for the useful side, that you observe when you paint the fire

bucket red or when you proudly send out pink or blue announcements, so that at first glance all your friends know whether it is a girl or a boy.

## Transformations by Color

**B**UT this is only a small phase of the practical side of Color, as the art of camouflage has taught us, for Color has the peculiar power to render distinctive or insignificant whatsoever it touches, and to impart a semblance of strength or daintiness to an object. It may be desirable to lure the eye away from certain imperfections of casting or construction to better workmanship in the same model.

This can be accomplished by selection of the proper colors, and adequate knowledge of composition or design. Care must be taken to distribute colors with regard to functions of the various parts, allotting to service parts of a construction shades sufficiently grayed and subdued—or else virile colors, indicative of their power to perform—while the less useful parts are treated in more delicate tones.

It is also possible to color portions of an object so as to give the effect of several pieces having been stuck together. On the other hand, it is equally possible to correlate a model of many parts, by proper coloring, so as to make the whole appear to have been of one piece. Let us



Of course the washing machine must match the egg-beater!



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Boston	•	Cincinnati	•	Los Angeles	•	Cleveland	•	San Francisco	•	Philadelphia

When writing to READING IRON COMPANY please mention Nation's Business



see how these claims appear in application on a motor bus, for example. We shall use red in three tones to illustrate. First, we shall paint the radiator hood in bright red; second, the upper section in a heavy, somber shade of the same color; third, the lower or supporting section in pale, washed-out red, or pink.

Now what has happened? The hood has been invested with supreme importance. The upper section, which is merely a covering and does no

heavy work, has been made to look massive and powerful, while the lower section, which does all the work and carries all the load, now looks as though it must fall together at the first turn. But how well balanced the same bus appears when the colors are properly placed. The lower section, painted in the darker shade, looks substantial enough to carry any number of passengers. The hood no longer claims all the attention; the bright color has been employed to correlate the upper and lower tones and stress the "speed line" at the same time.

### Color Arrangement Is Vital

THE composition or arrangement of colors then is equally important. Whereas in the first illustration of color distribution completely disjointed the three sections, cutting the car into so many parts, the better arrangement has unified the whole, and, although three different colors are employed, the entire construction remains integral.

You may call all this camouflage, but it is only one of the potent phases of color science or polychromy, and you yourself have no doubt found some other interesting possibilities along the same line.

So much for generalities. Now we can assail specific problems.

In all forms of passenger transportation treatment should combine the ornamental and practical sides of color.

That doesn't mean that the use of color should extend to the mechanism or "service" parts. The railroad engineer or steamship captain on duty is not benefited by sudden reds or blues jumping out from odd corners. The treatment of the interiors dedicated to passenger use is what we are talking about.

Let's begin with parlor cars and diners. Shades formerly used for these interiors were usually a morbid olive green or dark, stuffy mahogany—the very last colors to encourage a good healthy appetite. Now we are gradually getting more light and golden hues, subtle porcelain blues, and cool, refreshing greens for parlor cars.

On at least one railroad the club car furnished along modernistic lines has made



Color can either cut the bus into sections or unify it

its appearance. It is a pretty sure thing that in the near future we shall not regard with aversion the contemplated day's railroad journey. The boredom and discomfort will all be forgotten amidst intriguing decorations and suitable radio entertainment.

Big steamship companies also are beginning to recognize the value of color in the interior scenery on their great liners.

The automobile and bus industry likewise have worked out pleasing and satisfying color standards.

The proper airship treatment, however, is still something of a conjecture. We do know that certain colors can render airships more or less visible, and, assuredly, it makes a lot of difference to the crew of a plane caught in the arctic fogs, hoping to be rescued, whether their ship is painted red or aluminum.

Take road and farm machinery. The contractor and scientific farmer of today know something about class. They demand it in their motor cars. Why then, do we continue to paint tractors, plows and grading machines in the old circus-wagon red known as para red, while there are so many excellent sport colors to be borrowed from the automobile and which are perfectly suited to this type of vehicle? It is a radical step but progressive.

Bright colors on the various parts of heating and refrigerating plants, when located in dark basements, will render these easier to distinguish.

Colored kitchen furnishings? By all means, for the little wife who spends a few hours a day at the range or washing machine. Were she to toil in her glorified kitchen all the livelong day, these colors would get on her nerves, and unless these barbarian colors are toned down to a great extent—and that right soon—her nerves are going to rebel, and the first thing you know, Mr. Dealer, the housewife will be asking for colorless stoves and can-openers.

No doubt it would be advantageous for manufacturers of sundry small commodities like egg-beaters, and so forth, to link up in some way with the manufacturers of large items, such as kitchen cabinets. If these latter manufacturers hit upon geranium pink and parrot green for the

coming season's colors, it certainly would behoove the small-item man to follow suit.

A little color confusion in the home helps break the monotony of drudgery, but it is liable to cause pandemonium in the industrial plant.

The alarm clock, yesterday despised, looks so pert and saucy today in its gay garb we just can't swear at it for waking us up too early. As has been discovered by the manufacturer, color likewise improves the "personal" typewriter used by the family poet. She only writes for the fun of it, you know, and would drop dead if any magazine should offer to publish the stuff. The gay color of her machine gives credence to her alibi and sufficient reason for her folly.

### Black Befriends Tired Eyes

BUT the girl who has to pound the keys every hour of the day and every day, is not going to find relief in a brilliant-hued machine. She'll dread coming back to it in the morning, and if she pounds it any harder it is only to wear it out and get a machine in another color. Nor do we advocate any colored trimmings in a print shop or machine shop where the roving eye, held just a fraction of a second by some bright object, may cost a man his hand or arm.

Excepting in cases where, by excessive use it has become monotonous, black remains the most effective relief for tired eyes. It will never do for large surfaces, of course, nor will gray; but mechanical or service equipment, entailing great eye strain, will be rendered more conducive to concentration and efficiency by shades containing much black and white.

Smoky tans or bieges, carefully grayed blues and greens are ideal for plant or office equipment, with light warm tints for walls. In short, those tones which are not obviously of any particular color tribe and which do not intrude on your mental privacy assure the best routine results with the least effort.

We might well say that the solution to this problem lies in the rule that color should only be used for one or both of these purposes:

1. The aesthetic—using color to enhance the product, and not merely in the vain hope that it might sell.

2. The utilitarian—to promote or improve serviceability, handling, visibility, and efficiency.

Finally, color for the home and individual usage must be regarded in a different perspective from its industrial and professional application. This is an important dividing line and must be observed before the full benefit of color can be realized.



The alarm clock's so saucy we just can't swear at it



## Build Your Factory in the South's Greatest City...

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NEW ORLEANS is not only the *second* port of the United States, but is the largest city in the South. Besides leading in population, it leads in the total value of manufactured products. Its combined banking capital, as well as banking deposits, is the greatest in the whole South. New Orleans, as a metropolis, offers to a manufacturer outstanding advantages. The city is growing and a factory, or a branch factory, that is located here now will not only find a large market already available in the city and nearby territory, but will be in line for the great development which is taking place in our trade with Latin America.

Factories in New Orleans have economic advantages which enable them to keep the cost of production at the lowest possible point. An ample supply of skilled and unskilled labor—an unlimited supply of raw materials—unsurpassed port facilities, with steamships sailing to all the countries of the world—the Mississippi River with its barge line—nine great trunk railroads—a mild and favorable climate—offer the manufacturer a combination of advantages that he cannot get at other points.

A study of New Orleans and its possibilities as a manufacturing and trading center has been made from an engineering standpoint. This information can be utilized by any manufacturer who is interested in expanding his business now, or in building for the future. If you would

like to get more information about New Orleans, the South's greatest factory city, and the nearby markets or if you are interested in locating a factory, or branch, where production costs will be low and results satisfactory, write on your business stationery for further information.

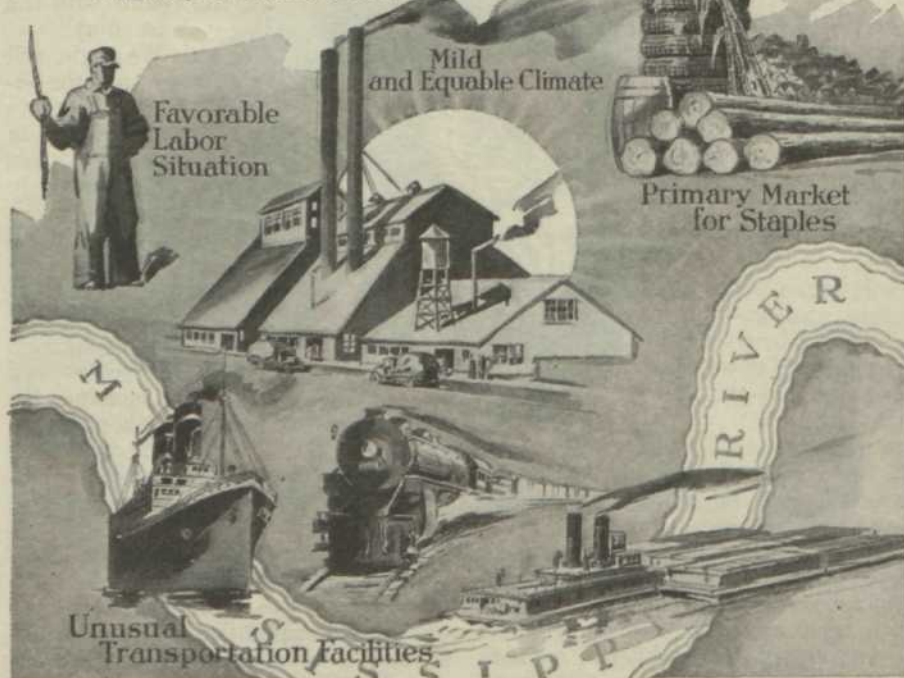
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Room 301, New Orleans, U. S. A.



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Conditions are favorable in New Orleans for the development of the following industries:

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Cane Products



NEW ORLEANS ASSOCIATION OF COMMERCE

When writing to NEW ORLEANS ASSOCIATION OF COMMERCE please mention *Nation's Business*

## Business of Ages Past

(Continued from page 39)

imported raw materials, exactly as we export automobiles and import the rubber for tires.

In Greece, pottery was a staple of export. Half the vases dug up so far in all the field of antiquity came from six factories in Athens.

As for foreign commerce, the British Empire never approached such complete domination of world trade as Rome built up under the emperors.

We, in this day of truly big business, boast of our use of concrete in buildings, bridges, roads. Yet Hadrian built the Pantheon of concrete, the only Roman building left us perfectly intact, roof and all. Its dome, 140 feet across, is a single concrete cast, and still is not only the oldest but the largest of its kind.

So, penetrate as far as you please into the dim past, the story is the same, and it is always man's struggle to prosper and grow in business. The very discovery of America was not an idle adventure for the purpose of advertising the daring of a single man.

### America, a Business Venture

THE sailing of Columbus was only the most ambitious of strictly business enterprises. Yet thus was America born of a business venture, and just so is America and all the rest of our modern business and political world the current chapter in a story that runs unbroken from the beginning, thousands of years ago.

The chapter we are writing today could never have been lived and written if bold and daring minds of the misty past had not lived and written the first advances out of animalism.

We have this infinite extension of machinery, this mass production which provides us with so many articles of use and comfort and produces us so much wealth, because, far back in the shadowy stretches of time, some other and still earlier business man bethought himself to construct a wheel, possibly from seeing a stone roll down a hill.

These old, old facts of life now being revealed are absorbingly interesting not only in themselves, but for the light they throw on our own advances and the debt we owe to those of the human family who pioneered so long before us.

### Financing a Home

A PAMPHLET, "Present Home Financing Methods," by John M. Gries and Thomas M. Curran of the Division of Building and Housing of the Bureau of Standards, undertakes to solve the problem of financing a new home, doubtless the most difficult task before the builder of a small home. The various methods and means of financing are discussed.

The pamphlet is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., for five cents a copy.



# A Familiar Gesture . . . .



*. . made possible by thirty years of engineering*

STATISTICS are notoriously dry. That may be why one man, offering a friend a cigarette, does not think about the fact that the consumption of cigarettes in the United States is slightly under one hundred billion per year.

But the fact would strike him if he realized that the familiar gesture would be all but impossible but for the automatic cigarette making machinery developed by the American

Machine & Foundry Company during the past thirty years.

Think what it means to manufacture approximately one hundred billion cigarettes a year! Then think of the amazing dexterity with which an AMF Standard Cigarette Machine turns a pile of shredded tobacco, and a reel of paper into over 600 cigarettes every minute!

And having gone so far, consider the ability of the engineers and me-


chanics who have developed this automatic machinery . . . and many other just as marvelous devices to do the production work of scores of great industries.

To build successful, time-and-labor saving automatic machinery is the life-work of this Company. You may have a production problem which automatic fingers can solve better. We would be glad to discuss it with you, at your convenience.

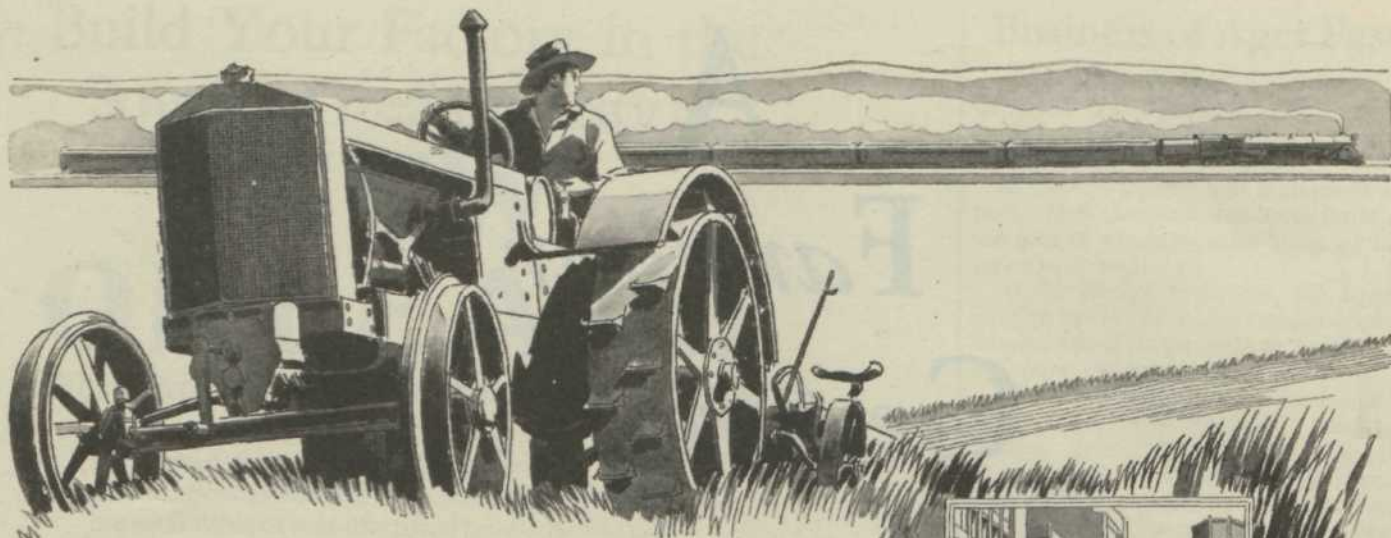
AMERICAN MACHINE & FOUNDRY COMPANY

Sales Offices: 511 Fifth Avenue, New York City

Works: 5502-5524 Second Avenue, Brooklyn, New York

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AS THE largest railway system in all America and one of the great transportation systems of the world, Canadian National Railways is a vital factor in the daily life of every part of Canada.

Its 22,681 miles of railway extend from coast to coast, traversing each of the nine Provinces and connecting the great agricultural, mining and lumbering sections of Canada with every important city and seaport in the Dominion.

Wherever you go in Canada, you see evidence of Canadian National service. On the streets Canadian National express trucks are handling the 12,000,000 consignments which they carry annually. Across the continent you hear the hum of Canadian National telegraph lines. In many of Canada's leading cities and summer resorts you stop at distinctive Canadian National hotels. From harbors of the Atlantic and Pacific you see Canadian National steamships leaving for ports the world over. Across Canada you listen to radio programs broadcast by Canadian National's eleven stations.

Employing over 100,000 of Canada's people in its operations and with activities extending from the largest cities to the remotest settlements, this Dominion-wide system of transportation and communication is intimately interwoven with the commercial and industrial life of all Canada.

When you go to Canada travel via Canadian National; stop at Canadian National hotels—use the facilities which Canadian National offers. In planning your trip, call at the nearest Canadian National office for any information that will help make your visit to Canada a complete success.

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# Congress and the "Rider" Evil

By NIXON PLUMMER

IT MIGHT have been written of Congress, as of individuals, that "our acts our angels are" and that these acts frequently are "fatal shadows that walk by us still."

This certainly would seem appropriate for some of the legislation known as "riders," and particularly for that class of riders which become laws solely through the fact that they are brought into being on the great carrying power of big money bills.

Several such measures are written every year and provide the millions of dollars that pay the Army, Navy, the host of government employes from the President down, and all other expenses connected with the Federal Administration at Washington.

The very nature of these bills makes their passage imperative if the Government is to function without interruption, and when legislation is engrafted on them which might never pass if it rested on its own merits it is pretty sure to ride through safely and receive the President's approving signature.

Such riders too often have not been considered carefully in committee or in debate, and years afterwards make trouble because they lack clarity or because of other reasons.

The practice of putting on riders has provoked some of the severest of parliamentary battles. Some success has attended the efforts of those who would keep legislation free of such provisions, but the tendency to write them has continued. With the advent of budgetary methods the practice has come to be regarded with increased alarm.

## Definition of a Rider

IN the early days of the American Congress riders were employed for the addition of something that had been forgotten, as described in the following paragraph of Jefferson's Manual:

"When an essential provision has been omitted, rather than erase the bill and render it suspicious, they add a clause on a separate paper, engrossed and called a rider, which is read and put to the question three times . . ."

This custom has long been obsolete, and today there are many kinds of riders. Considered broadly, they fall within two classifications, those on general, or substantive legislation, and those on appropriation bills.

If either branch of Congress, when the Federal Reserve Act was being written, had adopted an amendment therein for



prevention of boll weevils, that would have been a typical rider on substantive legislation. The President, if he objected, could have vetoed the bill without fear of stopping any of the existing functions of Government.

But if the boll weevil amendment were to be put, say, on the Naval Appropriation Bill it would present itself in a different light. To veto that measure would endanger the successful administration of an important arm of the national defense, and this would be especially true if Congress were about to adjourn.

The President might desire earnestly to help rid the country of boll weevils, and find fault with the rider because it failed to provide the proper machinery for action, or because the Navy was not equipped for warfare of that kind, or for many other valid reasons. But to veto the bill for any of these reasons would require him to put the measure in jeopardy. His only alternative, therefore, being unable to veto the rider alone, would be to sign the bill with all it contained.

This particular experience in riders has never been witnessed, but here is something that has been:

On page 6215 of the Congressional Record for April 28, 1920, the Senate having before it the Naval Appropriation Bill for the fiscal year of 1921, there will be

found an amendment relating to the naval petroleum reserves. The bill became a law June 4, 1920, and Congress adjourned next day. The amendment was seemingly harmless. It was scarcely debated.

## Subject to Ambiguity

FOUR years later one of the many sequels to that petroleum rider occurred when the Circuit Court of Appeals for the Ninth Circuit rendered its decision annulling the leases of oil lands in the Elk Hills.

"It is contended (by the defense)," said the Court, "that the act of June 4, 1920, conferred upon the Secretary of the Navy ample authority to enter into the exchange contracts of April and December, 1922. We cannot think that by the use of the word 'exchange' in the act, which was a rider to the appropriation bill of June 4, 1920, it was the intention of Congress to bestow upon the Secretary of the Navy power to dispose of the oil products of the naval reserves in the manner in which it was done in the contracts and leases here in question."

The Court also commented on the interpretation which the Judge Advocate General of the Navy made concerning this rider when he ruled that Congress gave "unrestricted" authority to exchange oil of the reserves.

"It is not conceivable," read the decision, "that by the rider to the appropriation bill, Congress intended in that casual way to surrender its legislative functions as to the control and disposition of the naval oil reserves and the establishment of fuel-oil depots for the Navy, to revolutionize the established methods of transacting the public business of the United States . . ."

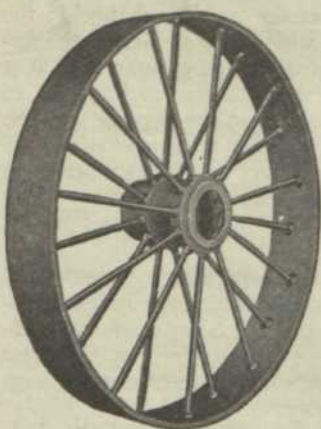
Thus the courts came to the rescue of Congress, as they have done many other times, but not always, of course, when so much was at stake. At best, laws are susceptible of double meaning, sometimes because words, however well chosen and defined, still need judicial determination.

With hastily enacted riders the risk of misinterpretation is almost sure to be greater than with well-baked legislation. And nothing illustrates more than the oil history of the last six years the far-reaching effect a rider may have. Upon it turned the fates of several men, the disposition of millions of dollars' worth of oil lands reserved for the national defense, litigation, and almost countless pages of hearings and speeches. The record





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Each wheel must be designed for its particular load and function. On certain machines the wheels must be designed to give maximum traction. They must contribute to light draft. They must be strong enough to withstand continuous service under overloading and severe ground conditions.

French & Hecht Steel-spoke Wheels are of a distinct type of construction. The method of fastening spokes to hub and tire is a highly developed process that assures a far stronger wheel. This is why French & Hecht wheels are actually about 35 per cent stronger than other wheels of comparable weight.

French & Hecht has made a study of wheel requirements and design for all uses and conditions. This specialized service is offered manufacturers. Any information concerning wheels will be gladly supplied. Write.

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does not disclose that the oil rider was analyzed at all on the floor of the Senate after its presentation. There were some patriotic utterances about conserving the oil resources. But that was about all. And that act is one that has walked by us for years with its "fatal shadows."

The statute books are full of others, some important and some not. Riders are lurking between the pages of nearly every important law, or set of laws, written since the Civil War. They bob up in most unexpected ways, sometimes being larger and longer lived than the acts which gave them birth.

Who would have thought that a comparatively small item—and \$20,000,000 is small when tied in with hundreds of millions—on the Naval Appropriation Act of 1916, providing for a "nitrate plant or plants" at some spot where electric power would be available, could have developed into the national problem now known as "Muscle Shoals"?

The debates, of course, showed what was meant and Muscle Shoals as a consequence has been a national problem for 12 years and doubtless will be one 12 years hence. From an initial expenditure of \$20,000,000 the total outlay has grown to something like \$200,000,000.

Muscle Shoals had its merits, and still has them. Its availability was known a hundred years before 1916. In 1916 its usefulness for defense and agriculture was recognized first by the National Government on an extensive scale. That it has become something vastly more is largely due to the failure of Congress at the outset to establish a clearly defined policy respecting the project.

But this is neither a defense nor a condemnation of Muscle Shoals. It is merely an illustration of how a rider on an appropriation bill can, like Topsy, just grow up and expand when incomplete congressional action leaves the matter to time and fortune.

### Forced Through on Riders

**I**F there was ever any executive consideration given to vetoing the 1916 Naval Act because it contained the nitrate rider, the fact would have remained that it could not have been done without killing, or endangering, the whole bill. This also would have been true of subsequent riders on other appropriation bills pertaining to Muscle Shoals. A veto of it as a separate item years ago might have hastened the forming of a composite plan.

There have been riders galore affecting many other widely known public activities, like the Cotton Futures, Grain Standards and Warehouse Acts, the laws amending the Articles of War, and establishing the Council of National Defense.

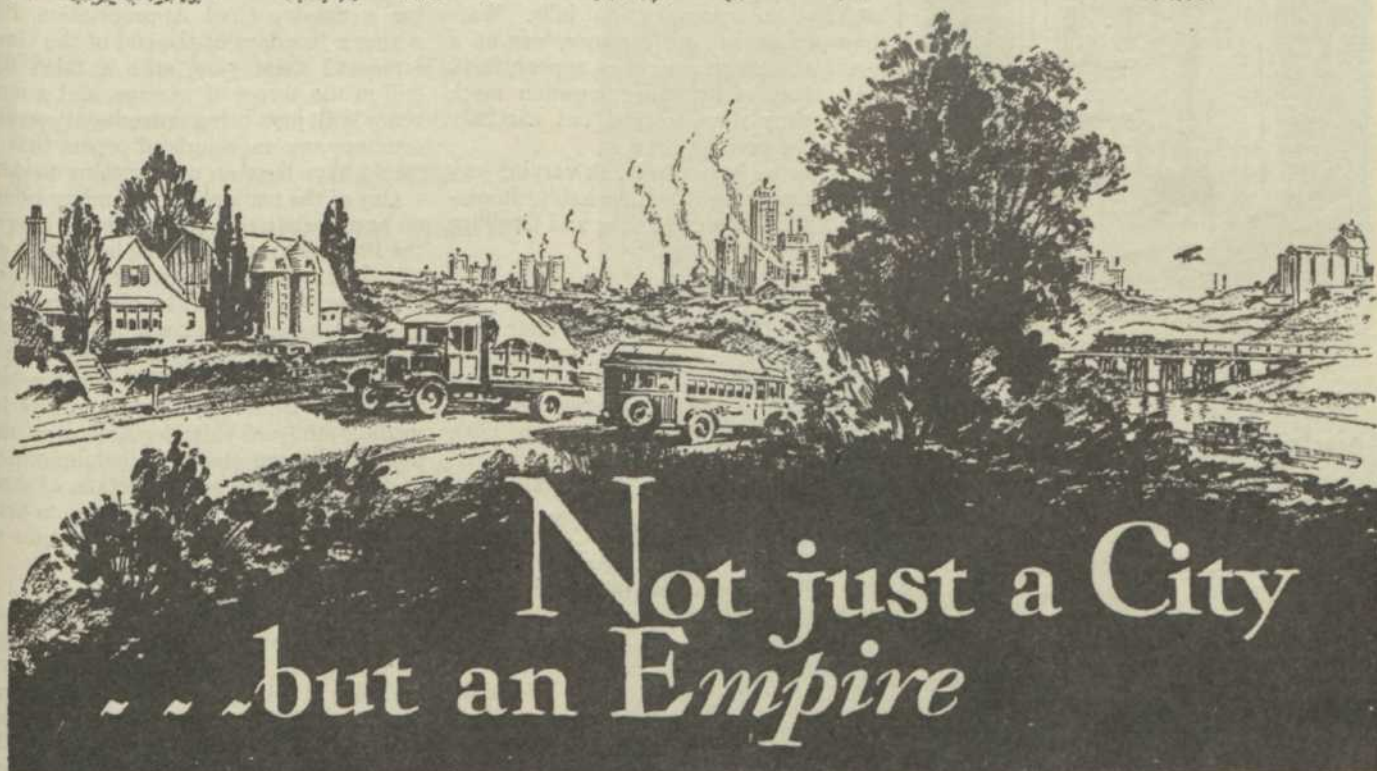
The Shipping Board at various times has been the subject of rider legislation, and no other independent establishment in the Government has been tossed in storms of indecision and confusion more than that organization.

Riders lay behind many of the activities of the Alien Property Custodian and the scandal over hospital sites.

Aviation, antitrust legislation, prohibi-



## IN THE KANSAS CITY AREA



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**K**ANSAS CITY advertising does not confine itself to corporate limits. Within the territory are raw materials and manufacturing advantages of a highly diversified nature... many within the city itself, many in the smaller cities of this rich area. Kansas City undertakes to tell the story of the *entire territory* to interested manufacturers, realizing that the city prospers only as its outlying territory prospers.

It is a territory of 21 million prosperous people, 15 million of them reached from Kansas City at lower transportation cost than from any other metropolis.

It is a population earning 10 billion dollars annually, or one-fifth of the nation's annual income.

It is a territory that depends on Kansas City for prompt and economical servicing.

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Kansas City is earnest in the belief that economic distribution demands the manufacture *within the territory* of as many of the commodities it consumes as practicable.

"The Book of Kansas City Facts" tells the truth about the Kansas City area, its market, its raw materials, its labor, its fuel and its other advantages. A copy is available free of charge, as well as a confidentially submitted survey of market and production possibilities for any individual industry.



Chamber of Commerce of

## Not just a city but an empire

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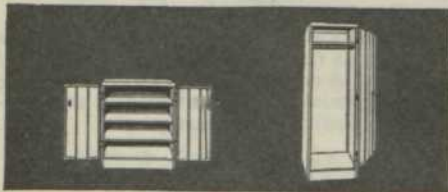
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tion (not the Volstead Law), and similar subjects of recent dispute have had their share.

The famous Reed dry amendment and wartime prohibition were both riders.

All the foregoing, of course, were not attached to appropriation bills. Wartime prohibition, for instance, was on a food law. Wherever riders appear, however, there is usually a question mark unless they were worked out carefully before the grafting process.

Presidents have tried with varying success to discourage the rider habit. Roosevelt, Taft, Wilson, Harding and Coolidge have sought a change.

### Mixed Money and Laws

THE most flourishing period for such amendments was immediately following the Civil War. No instances are found of important general legislation being attached to appropriation bills before 1855. In that year, however, the tariff was written on an appropriation bill, establishing a precedent.

During the Forty-second Congress, because of a tendency to put all the legislation on appropriation bills, the Senate was forced to adopt a resolution stopping the practice, but it was effective only in that session.

So persistently were riders offered in the House once that James G. Blaine complained that waiving the rider rule had resulted in more legislation going on appropriation bills than in the previous 20 years.

In the Hayes administration riders brought about an impasse between the President and politicians in Congress. They were at odds over the spoils system, and the President angered them when he upheld the civil service rules in making appointments. The politicians retaliated by delaying the appropriation bills, and when these finally went through they carried so many riders repealing numerous laws that the President vetoed them all. While he won eventually, his contest is historically accredited with costing him a presidential nomination.

President Taft fought riders. He vetoed the Legislative Bill in 1912 because of provisions affecting the civil service and the Commerce Court. Representative Fitzgerald, of the Appropriations Committee, seized this opportunity to show that Taft himself benefited from riders, the governorship of the Philippines having been provided that way.

In vetoing the Legislative Bill in 1912, President Taft said:

"The responsibility for the delay of the appropriations for the necessary expenses to run the Government cannot rest upon the Executive, but must be put where it belongs—upon the majority in each house of Congress that has departed from the ordinary course and united with an appropriation bill amendments to substantive law."

Woodrow Wilson vetoed the Sundry Civil Bill once because it provided that none of the money should be used to prosecute farmers' organizations or labor unions under the Sherman Anti-Trust

Act. This raised a great storm. *World's Work* said it was incomprehensible that a Democratic President in such an embarrassing position as the rider had done, and added:

"A study of the consequences of vetoing a Sundry Civil Appropriation Bill within a few days of the end of the Government's fiscal year, with a tariff bill still in the throes of passage, and a currency bill just being introduced, would convince any unprejudiced person that it would have been an unwise thing to do."

One of the main objects of many riders on appropriation bills has been to coerce the President into accepting legislation on the threat of a forced special session of Congress, which might be necessary if he vetoed a measure that was indispensable to running some part of the Government.

When Samuel W. McCall was a member of the House of Representatives he made a study of rider legislation on the money bills and observed that inasmuch as they deal with all the details of government Congress might use them to propose changes "in the greater portion of the laws of the United States."

### Bigger and Better Riders

THE total number of riders is mounting constantly. Of some 4,700 public laws, exclusive of private statutes, written from 1897 to 1915, 1,700 were riders on appropriation bills alone. From 1915 to 1925 more than 2,600 public laws were enacted, and on them the former record was more than equalled, for nearly 1,000 were riders. The need for war legislation caused a letdown in enforcement of anti-rider rules.

If the President were given the power—and a constitutional amendment would be necessary to make it irrevocable—to veto riders in appropriation bills without vetoing the whole measure, it would bolster the attempts that have long been made through parliamentary means to get rid of the evil.

The House in particular has tried to check it with rules; but what are rules when the members who make them vote to ignore them?

Nearly everybody remembers the annual free seed fight on the Agricultural Bill. It began when Representative Candler, of Mississippi, offered an amendment in 1907 to allow members the privilege of broadcasting "rare and valuable seeds." It was out of order under existing rules and the Chair so ruled, but a rising tide of Republicans came to the aid of Mr. Candler and his Democratic colleagues, and the decision was overruled 136 to 84.

For years afterwards Mr. Candler won his fight and the members got their seeds—a practice not now followed, however. The amount of money required every year was small, as congressional appropriations go, but large if the budget did not provide for it.

If such a separate item were subject to veto, a two-thirds vote would be necessary to override the interposition. The veto would certainly tend to make Congress more careful, promote economy, lower taxes and clarify legislation.

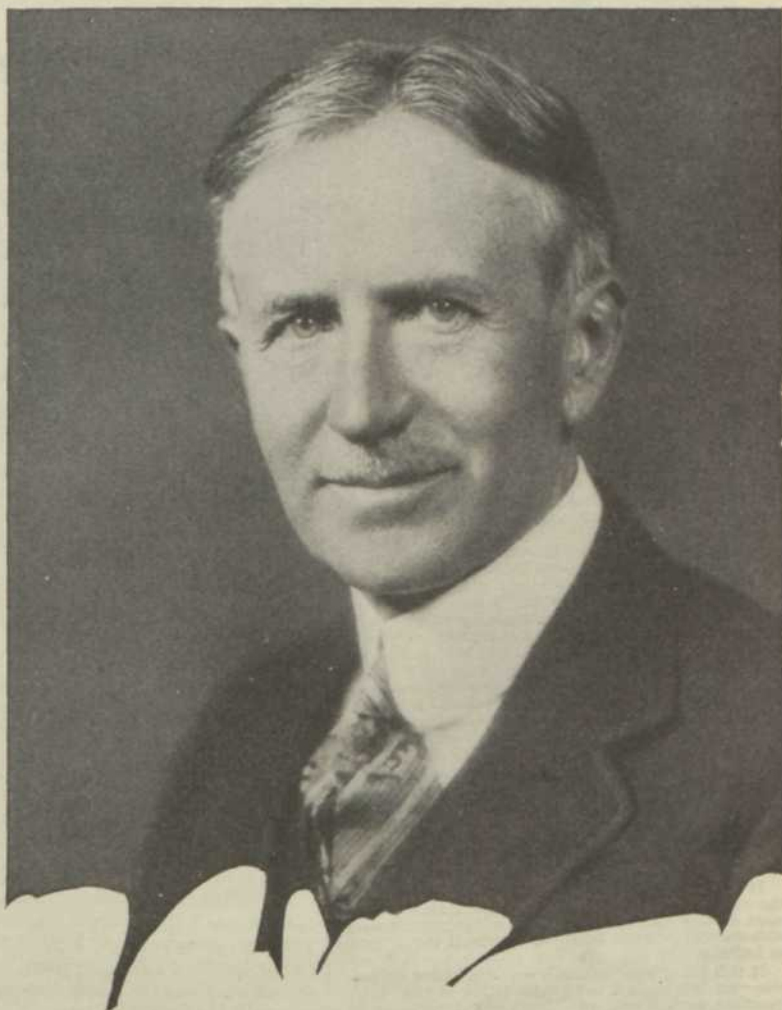


*"Better light not only insures greater safety for workmen and less fatigue, but also tends to raise the standard and quality of the product."*

*Harvey S. Firestone*

President

Firestone Tire & Rubber Co.



## *Plain Facts About Factory Lighting*

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Improved lighting, therefore, is an unusual opportunity for nine out of ten factories to gain definite advantages. Mr. Firestone has well stated some of these benefits as greater safety, less fatigue, and a better product.

Because of these and other benefits, some

plants have found that good factory lighting cuts production costs as much as 15 per cent. That is a fact too important to be overlooked in today's keen competition.

The National Lamp Works of General Electric Co. maintains seasoned industrial lighting engineers in all parts of the country. Their sole duty is to survey lighting conditions and to make, without charge, unbiased recommendations to factory executives. They also arrange, upon request, for trial lighting installations in typical or difficult sections of your plant.

Write us for their services, and for a free copy of the complete book—"Plain Facts about Factory Lighting."

NATIONAL LAMP WORKS of GENERAL ELECTRIC CO.

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CLEVELAND





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A year or so later, realizing the importance of legal knowledge in business, he enrolled again with LaSalle—this time for home-study training in Law. He set as his goal the Illinois Bar examinations, which he passed successfully in the fall of 1924.

Was it merely by chance, do you think, that in October of that year Mr. Bourcheidt was made Assistant Secretary and Office Manager of this great company, or that today he is being entrusted with greater and greater responsibilities?

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## What Other Editors Think

By Wm. Boyd Craig



Old friends refused to speak in the bitter fight between Hamilton and Jefferson in their papers, the *Gazette of the United States* and the *National Gazette*, 1793

INSTALLMENT buying as a topic is no stranger to this department. Now it bobs up again in an unexpected quarter—*The Iron Age*. Remark- ing that,

not so much discussion of easy payment buying has appeared in economic and financial reviews of late as we saw last year, particularly in the weeks following the publication of the Seligman report, which found that no economic danger inhered in widespread buying on the instalment plan.

*The Iron Age* goes on to say:

However, the American Bankers' Association gave the subject a place on its convention program at Philadelphia and a paper by C. F. Zimmerman, of the Pennsylvania Bankers' Association, pointedly opposed Professor Seligman's view. Thrift is a familiar preachment of the banker and it was quite to be expected that the author of the Philadelphia paper would sharply contrast families whose income as received is parceled out among instalment sellers with "those who, in addition to their habits of thrift, are learning to make good use of all the facilities of the bank."

But quite aside from the self-interest of a banker's view of the family exchequer, the following comment finds ample confirmation in the experience of tradesmen in many communities:

### An Evil or a Blessing?

DESPITE the fact that one of our leading economists has recently announced in favor of the 'easy payment plan' most bankers continue to have the feeling that a great deal of instalment buying is an economic evil, and this conviction is based upon a knowledge of the havoc it works in so many families.

"The country banker knows so much about the results of mistaken policies in handling the family income, that he is compelled to doubt seriously the wisdom of instalment purchasing so far as it concerns an overwhelming percentage of the people. Possession of attractive, relatively expensive but practically unnecessary articles for a small down payment, has a lure in it that misleads and very seriously entangles those who have only their earnings to depend upon."

As the butcher, the baker, the grocer can testify, the instalment seller is the preferred creditor always, while the local tradesman waits long and anxiously and often in vain. The survey of retail buying now being

made under Federal auspices would do a large service if it could discover how far instalment buying is responsible for the perilous condition of many a local tradesman which it is usual to charge entirely to the incompetency of the retailer himself.

## Movie Critics Disagree

### On Effect of "Talkies"

CAME the "talkies." And with them came comment. "The silent Drama Finds Its Voice," writes Roger Shaw in *Review of Reviews*. "The Movies Commit Suicide," says Gilbert Seldes, in *Harper's*.

Extracts from Mr. Shaw's article show his thesis to be as follows:

A new era is dawning in the motion picture world, which promises to alter completely our conception of what a movie stands for. The great change now looming upon the threshold of Hollywood—and of every moving picture theater—is due to the fact that so-called "talking films" have passed from the experimental to the practical stage.

By means of this innovation the hitherto "silent drama" becomes articulate, combining much of the living charm and vocal craftsmanship of the legitimate stage with the wider scope of the motion picture's unlimited scenic and action effects.

This consolidation of two of the arts, when properly developed and perfected, should prove a notable advance over the present silent pictures—and, perhaps, over the legitimate stage as well.

Mr. Seldes' opus in *Harper's*, an essay rather than a survey, runs in this vein:

After some twenty years of being only in its infancy, the moving picture, which gave promise of an interesting adult life, has gone suddenly senile—and garrulous. It is talking at the top of its voice, talking to itself, talking in its sleep. Terrified perhaps by the threat of radio broadcasting, it has incorporated radio in itself. . . .

The introduction of speech (not of sound) is suicide for the movie in the sense that, given speech, the old movie ceases to exist. . . .

Mr. Robert F. Sisk, writing in the *American Mercury* a few months ago, said that the industry "now receives about forty per cent of its total income from its foreign sales." It is quite possible that English-speaking countries will listen to the Amer-





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ican language, although the experience of American audiences in listening to cockney English (in "The Terror") was not reassuring. . . .

The film which in a universal language seldom said anything of importance, gives up its claim to universality the moment it begins to talk in a single tongue. . . .

The silent film may preserve a popular place for itself; but if it does not, it will become the plaything of amateurs, thousands of whom are now making films, and begin its development exactly at the point where the commercial producers left off—that is, at the point of becoming an independent art.

## Ask Your Best Friend To Try Your Shop's Odor

**D**OES your store have halitosis? This question, so difficult for the individual to answer, is asked of shopkeepers by *The Spokesman and Harness World*. While much has been written on the subject of neatness and store appearance, the following is one of the first forthright treatments of the subject of store odor yet to swim into our ken. We quote:

Every store has a smell of its own which gives it individuality and makes it different from every other store. Some harness stores smell good. They smell only of new leather. And there is no perfume so pleasing to our nostrils as the honest smell of new harness.

But there's a lot of harness stores that don't smell so good. They smell of old, sweaty collars, of sour cuspidors, of stale tobacco smoke, of soaking tubs of water left standing too long, or most any other disagreeable things one could think of. Some stores are reeking with the fumes of disinfectants, and that's bad. It indicates that they are trying to deodorize the dirt instead of cleaning it out. Other stores are heavy with the vapor from those squirt-guns used to kill insects. It isn't safe to go into them without a gas mask.

Folks who work in a store every day generally do not know how it smells. It is just like working in a glue factory or a fertilizer plant. They get so accustomed to the smell that they do not notice it.

In the listerine advertisements you have seen halitosis—bad breath—described picturesquely. They assert that you cannot smell your own bad breath. Maybe they are right. And maybe your store has halitosis. So get some good friend who isn't afraid to tell the truth, even when it hurts, to come and take a whiff of your store and give you an unbiased report. Then do the proper thing.

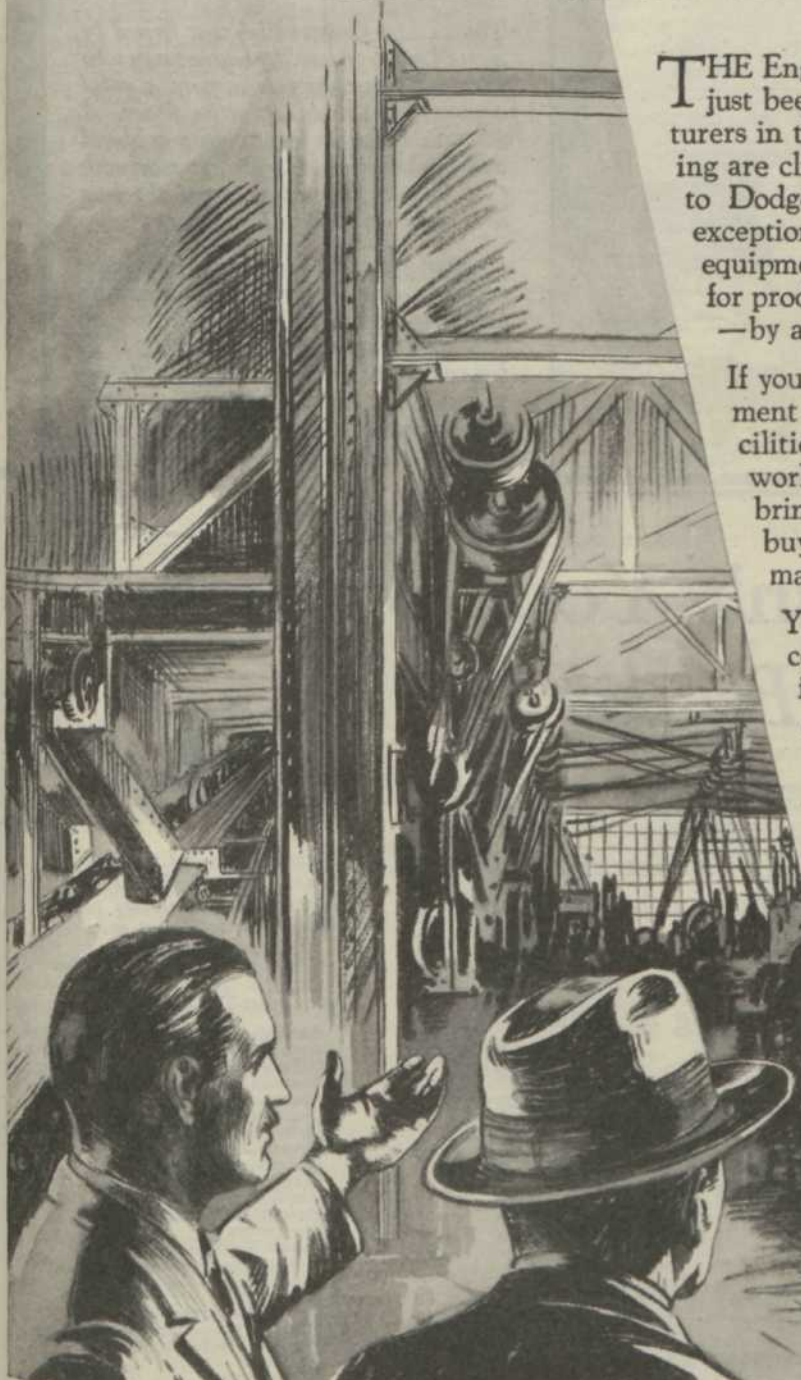
## Fresher Fresh Fish

**F**RESH fish are nearer to being what they seem by the practice of Mac Fisheries Ltd., of London. For the tail of every haddock shipped by that firm bears its trade mark, and the day of the week on which the haddock must be sold by the retailer.

Even if the tail tagging brands the report a sort of commercial fish story, there seems no good reason why it should not be taken to heart by every good egg in the retail trade.



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# What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

**A**S THE open season for business forecasts arrives, experienced men seek to conceal their ignorance of the future in generalities. The trick was first discovered by the Greek oracles, and has been a useful guide to soothsayers ever since.

For myself, I find that rereading last year's prophecies of big business men and checking them against the actual events is an excellent antidote for the notion that executives are supermen. One able commentator on the passing show in finance remarked a year ago that the stock market in 1928 would not be sensational.

Speaking of prospects for business profits in 1928 at the outset of the year, one of the foremost financiers in the Middle West observed, "I doubt very much if corporate profits are as large another year as they have been this." Another pointed out, "We cannot expect to be on top of the wave all of the time."

One of the outstanding leaders of the construction industry, in his forecast a year ago, said, "I do not look for building activities during 1928 to maintain the early 1927 pace."

**A**FTER exhuming the literary corpses of other men, I turned with trepidation to my own forecast which was printed on January 5, 1928. I determined to reprint it irrespective of how widely it missed the mark as a matter of fairness. Here was my prophecy:

In the first week of 1928, the essential question is, will the moderate trade reaction be short lived?

With the Ford Motor Company back into production, the aggregate output of the automotive industry in 1928 is almost certain to be larger than in 1927. The motor trade will stimulate various other industries, including steel, in which shortages have been created in recent months of reduced output. The outlook is strengthened by the fact that the excesses of the Coolidge prosperity cycle have been to a large extent corrected by the setback in recent months, in which business receded from a basis of supernormal activity to slightly below normal. Instead of glutted markets, there are shortages in some fields.

Competition will continue extraordinarily keen in 1928, as the strongest factors seek to protect profits through quantity production and mass distribution. The weaker, less efficient factors will again be called upon to fight for existence.

The business of the new year will be favored by abundant

credit, despite the recent outflow of gold, which can be offset by open market operations of the Federal Reserve System.

Speculative security prices have discounted the favorable factors in the situation to a greater extent than ever before, but the movement has been accompanied by a broadening of the asset base of strong companies. Moreover, the stock rise has been partly a revaluation of securities on the basis of the current reduced wages of capital and the higher general post-war level of commodity prices.

Speculation is on a higher level than business, and is likely to be more sensitive to temporarily unfavorable influences. [The periods of drastic liquidation in the stock market in February and June justified this warning.] However, generally speaking, there is nothing bearish in the immediate outlook for high grade stocks except speculative extravagance, which will be corrected from time to time by sharp intermediate reactions.

Presidential considerations may raise some doubts in midsummer, but are not likely to constitute a major trade influence in 1928, which, from the standpoint of trade volume, should be a good year.

As a matter of fact the preponderance of opinion among bankers and business executives a year ago was that 1928 offered promise of being a reasonably good business year. Perhaps there was even

understatement in Gen. J. G. Harbord's review of favorable business factors, in which he concluded, "All of which augurs well for radio in the new year." Jules S. Bache's forecast, made a year ago, seemed more favorable then than now, for he said, "Our present prosperity will continue until, say 1929."

John J. Raskob, then chairman of the finance committee of the General Motors Corporation, said, "Next year (1928) may prove to be the most prosperous year this country has ever enjoyed."

H. C. Turner, president of the Turner Construction Company, went on record as follows, "We look confidently for a good year in 1928."

W. L. Ross, president of the New York, Chicago, and St. Louis Railroad, made a singularly accurate forecast, saying, "I think the railroads are headed for what may be termed their third best year."

**P**ROPHECY is more hazardous this year than last, for the favorable predictions have been realized. On the theory of action and reaction, the most obvious forecast would be of corrective movements. And yet apart from the marked excesses in the speculative markets, which have been dominated by mob psychology, the economic situation seems sound. America is still in the midst of a long term period of prosperity, with business volume on a high and gradually increasing plane. Herbert Hoover's leadership in the direction of wider vision and greater economy in business is likely to prove a fresh stimulus to efficiently managed companies.

For 1929 I expect to see the following tendencies at work:

A further quickening of the process of paralleling in the field of distribution the vast economies already made in the realm of production. This will be marked by further rapid growth of chain stores, which seem destined to take over a larger proportion of the total retail trade. They are also likely to grow faster than the department stores, which seem likely to reflect chiefly population growth and fluctuating general prosperity. The revolution in retail trade will be further quickened by additional mergers of chains, with the prospects in the future of competition of chain against chain.

Apart from retailing, the



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trend is likely to continue toward larger units of business. America will become more and more a nation of hired men. Recognition of this fact has been inducing many who in an earlier period would have used their savings to launch a venture of their own to enter the organized security markets and buy the shares of established large corporations.

The last layers of price advances have gradually been building up the necessity of corrective reactions, but unless the speculative fever leads to unsound practices in business, a major bear market does not seem to be in sight for the near term future. However, the intermediate liquidating movements will be drastic in proportion as the rise has been extensive.

Bond prices are likely to get into a slightly more favorable ratio with stock prices, and railroad stocks are likely to improve their relative market position as compared with industrial and public utility issues. However, unless the character of regulation is radically upset in the St. Louis & O'Fallon case, there will be an unwillingness on the part of speculators to capitalize railroad earnings as generously as those of unregulated companies.

**T**HE year is likely to be marked by unprecedentedly severe competition in the automobile industry, especially in the low priced field. Production may well set new high records. Consumers will be offered the biggest values in history.

If general business volume is maintained on reasonably high levels, the profits of steel companies should be better.

American exports of products, in which its industries excel, such as automobiles, farm implements and motion pictures, are likely to set new high records, as a result of the return to financial normalcy of foreign customers. Conversely, the competition will be keener in competitive export lines, such as textiles.

If speculation can be held in restraint, 1929 should be a year of large trade volume, possibly exceeding 1928 in the first six months and possibly running somewhat lower in the second half of the year. As compared with a year ago, there are few shortages to be made up. As a matter of fact, as times goes on, it may be desirable to have a moderate recession in the highly exploited industries in order to stabilize conditions.

Railroad earnings should be higher in the first half of 1929 than in the first half of 1928.

The security markets and the construction industry will be to a large extent influenced by credit conditions, which will depend partly on Federal Reserve policy. There may be some easing of interest rates, but cheap credit is not in sight. Stock prices are currently in many instances selling far above purely investment values, as speculators are showing a readiness to discount future expected gains in earnings and assets. In such circumstances, the buyer divides expected profits with sellers. Until there has been correction in the stock market, prudent



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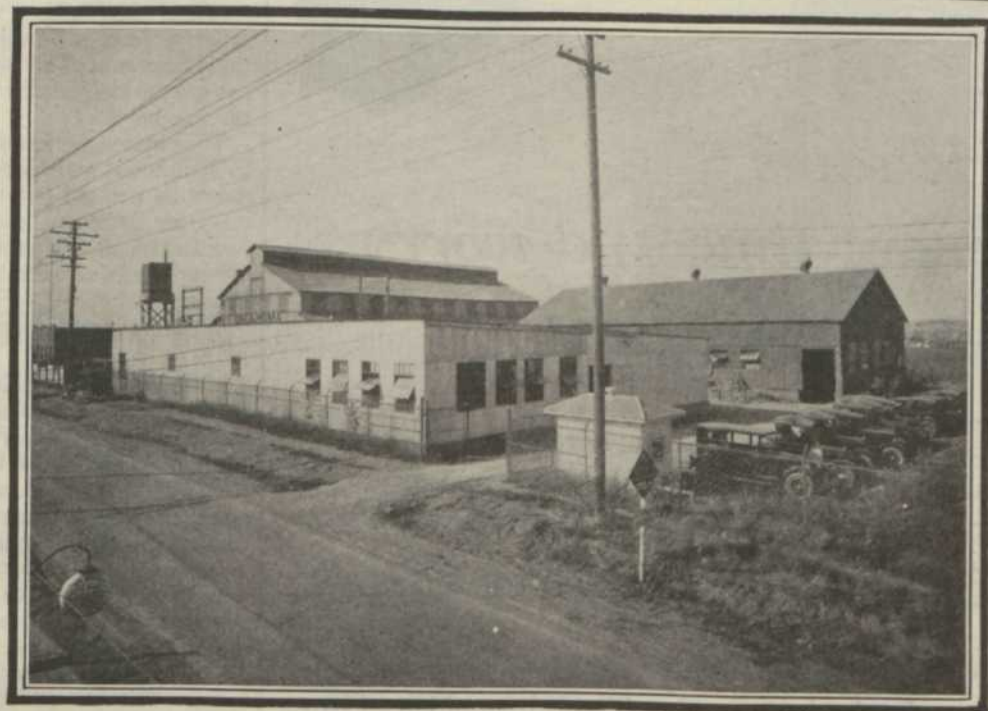
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individuals will hesitate to go into debt to buy equities at high levels. Investors will subject individual issues to analysis on the basis of proven earnings and assets. The security markets are likely to be large in volume and selective in character, with companies based on exclusive patents, inventions and processes, and on new economic trends especially in favor.

**A**LBERT D. LASKER, former head of the United States Shipping Board, gave \$1,000,000 to the University of Chicago to study the diseases of middle age.

Recently, a physician in the service called up Mr. Lasker to announce important progress in finding relief for kidney troubles. Mr. Lasker, who seemed to be suffering from a breakdown, indicated that on account of his own health he could not get the kick he normally would out of the fine news.

The physician questioned Mr. Lasker as to symptoms, and to the surprise of the donor he pointed out that Mr. Lasker's condition indicated that he needed the new treatment. After a month, Mr. Lasker reported a remarkable return to physical vigor.

Write your own moral!

**B**UCK passing is popular, but seems to be rewarded penuriously at the market place for human services. Eugene M. Stevens, president of the newly formed Continental Illinois Bank and Trust Company, the largest American bank outside of New York and the largest bank in the world under a single roof, entered commercial banking for the first time 11 years ago at the age of 46. He advanced rapidly at the Illinois Trust & Savings Bank because he showed a willingness to share responsibilities with the late John J. Mitchell, instead of playing safe.

Mr. Stevens loves to get up against stone walls, and then break through. His younger son recently complained that his lessons at school were hard. The father replied that the worth-while things are always hard to get. Recognizing that young boys are more impressed with football than moral sermons, Mr. Stevens illustrated his point by a gridiron analogy.

"Suppose," he said, "that you played on an eleven composed of boys of your own age, who faced a team of boys three years younger. If you broke through the weaker line and scored a touchdown, would you get a thrill out of that?"

The youngster admitted that he wouldn't.

"But," the father continued, "suppose your team was playing against somewhat heavier and older boys, and you scored a touchdown against them, would that give you a big kick?"

Now young Stevens is inclined to think of his dad in terms of the Sweet Caporal slogan.

**O**SCAR WILDE discovered that nature imitates art. Apparently that is happening again. Governor Brewster of Maine, once a student in the Bowdoin College classes of William T. Foster, who



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is co-author with Waddill Catchings of "The Road to Plenty," is to a marked extent putting into practice in his own administration the main proposals of "The Road to Plenty."

Having discussed these principles for stabilizing prosperity with Herbert Hoover, Governor Brewster was asked by the President-elect to present these views, as Mr. Hoover's spokesman, to the annual conference of governors of the states, held at New Orleans late in November. Governor Brewster was further asked to request the governors, each in his own state, to cooperate with the Federal Government in carrying out what is in all essentials the plan advocated in this recent book on modern economics.

BANKERS and economists who were on the platform at a recent session of the Park Lane Fortnightly Forum sought in vain to agree upon a definition of the amateur investor. One speaker finally arose and said:

"It should be obvious to all what an amateur investor is. A man who sold Montgomery short at 100 and who is still short with the stock above 400 is an amateur investor. A man who bought the same stock at 100 and held on till it passed 400 is, of course, a professional investor."

THE search for advance inside information is perennial. A brokerage firm some time ago learned that a Justice of the Supreme Court of the United States was lecturing to law students at the capital, and that it was his habit to illustrate academic points by discussing in advance without mentioning names, cases pending before the Supreme Court.

An enterprising financial group employed a law clerk to attend the lectures, and tip them off on what the nature of forthcoming decisions would be. The first test of the system came in the form of a report of the law clerk to his group to buy the stock of a company which he predicted would win an important case.

The group loaded up with the stock, but to its surprise the Court decided against the corporation, with Justice Brandeis, who gave the course, dissenting.

OTTO H. KAHN once remarked that finance is an old lady with shaken nerves.

This was illustrated recently when the announcement came out on the ticker at midday that the Federal Reserve Bank of New York would have an important announcement to make at one o'clock. There was an immediate scramble to get out of stock, as hysterical operators conjured up a warning statement against excessive speculation.

Instead the announcement was made that George L. Harrison had been chosen to succeed the late Benjamin Strong as governor. Mr. Harrison, who is 41, was the right-hand man to Governor Strong in his important negotiations with foreign central banks.

Governor Strong was the outstanding personality in the system, and the Street



SECOND OF A SERIES OUTLINING THE ESSENTIALS OF A SOUND INVESTMENT POLICY

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## Choose Bonds that *Fit* Your Needs

**A**S THE mason chooses from the many available stones, essentially alike, he is guided by a definite design and plan. The bond buyer, to build a strong investment structure, must use similar care in selection. With his own circumstances in mind, he should consider not merely type of security, but rate of income, maturity, marketability and tax exemption—and choose to fit his needs.

An active business man, desiring to keep his funds liquid, has a special need for marketability. This may narrow his choice to active market issues and short-term bonds. At the same time, he may be in a position to put some part of his funds in higher yielding, less marketable issues. The retired business man, on the other hand, does not have the same need for marketability. He wants maximum return with utmost security. The substantial investor of large income finds it advantageous

to confine his selections to issues wholly or partly exempt from taxes.

The professional man needs bonds he can put aside to make his future secure. He may properly include sound issues of good yield and which promise to increase in value. For the woman investor, especially if dependent upon investment income, the first requirement is safety. She cannot afford any risk of principal for sake of higher return.

In building, one protects his interests by employing an architect. The investor secures comparable protection by relying upon a reputable investment house. Its service is not merely the buying and selling of bonds. In a larger sense, its function is aiding the individual investor in the selection of securities to fit his needs. The result of this service, faithfully performed, is a unified structure of investments in which each integral part contributes to the strength and permanence of the whole.

**A**This subject—along with other basic principles to guide investors—is more fully discussed in our booklet, "Essentials of a Sound Investment Policy." Write for booklet NP-19

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is now wondering whether leadership will shift to Roy A. Young, former governor of the Minneapolis Federal Reserve Bank, who is now governor of the Federal Reserve Board, or will stay with Governor Strong's successor.

IN recent years, numerous smaller enterprises, which were privately owned, have gone to Wall Street for public financing. Many executives are considering following this trend. Some wonder as to the technique. J. T. Woodward, of the firm of Spencer Trask & Company, in a speech on raising capital by individual companies, pointed out:

"There should be ample value in physical assets and quick assets for a preferred stock issue. In the less probable event of a bond issue or a note, we would require physical assets to be at least double the face amount of the bonds or notes and further earning capacity at least double the amount of interest and sinking fund provisions.

"These standards also apply to a preferred stock issue except that the net quick assets applicable to such preferred stock under the most favorable conditions should not be less than twice the amount of the preferred stock. Should the quick assets be three times the amount of preferred stock, the company would be in a very favorable position when approaching investment bankers. But if the ratio were less than 3 to 1, or if the issue were underpriced, other factors would require very careful consideration.

"Average earning capacity for a period of years, management, personnel, type of product and a large number of other factors would then have to be considered. We would undoubtedly investigate the industry itself to determine whether in our own minds the general trend of the industry was upward or downward.

"If downward, we would want to determine whether this were due to weakness inherent in the industry or to some conditions which were susceptible to correction.

"If we were satisfied after such survey of the industry that we would be justified in investing in it, it would then become a question of the individual operation and how closely such operation would conform to our standards."

E. W. KEMMERER, economist of Princeton University and the world's leading monetary pathologist, in seeking to explain why the rest of the world was showing a marked preference for American exports when in need of advice, said:

"Americans are called in partly because the world believes that we have no ambitions for political aggrandizement. We have not been trying to expand our territory or our power and they feel that we are not grasping politically as much as some other countries.

"Then another reason is because of the financial progress of the United

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States. I need not go into the enormous progress we have made in all financial lines and the maintaining of the gold standard pretty nearly—not quite—during the war. The fact that we are paying off our enormous public debt, the great financial progress the nation has been making, the great financial progress the public has been making in this country, all naturally make other countries turn for financial advice to the nationals of the country that they think is financially most successful.

"And then another reason is that almost every country in the world—if I were not unduly cautious, I would say every country in the world—wants to borrow money. Now America is looked upon as a great creditor nation. She has been lending money freely in recent years to foreign countries, and they are looking to us for loans. They naturally say that if they straighten out their finances, if they reorganize their currency, banking, taxes, budget systems, and what not, along the lines Americans understand and believe in, they are more likely to obtain a favorable reception when they seek loans in this country."

Dr. Kemmerer's latest commission is advisor to China, the eleventh country that has sought his aid.

ON January 2, the Supreme Court of the United States is scheduled to consider the appeal of the St. Louis & O'Fallon Railroad, a short line in St. Louis, from the decision of the Interstate Commerce Commission in the question of basis of physical valuation.

The essential issue is whether the Commission is justified in taking 1914 prices as a basis for valuation, instead of present prices. This valuation was made for purpose of recapture.

If the Supreme Court decides to grapple with the whole issue of valuation, its decision will be epoch making. In analogous cases concerning public utilities, the Court has leaned to the concept of going concern value. A member of the I. C. C. has described this case as "the greatest lawsuit in history."

In dissenting from the majority view of the Commission, Thomas W. Woodlock pointed out:

"The contention that stability of the investment in railroad property is best attainable by irrevocably linking that investment to the dollar seems to be on its face quite untenable. The dollar is valuable only because of the commodities that it will buy. Its purchasing power is notoriously characterized by great and continuous instability.

"The investment theory of value urged by the majority equates railroad property with the dollar. The principle of valuation expressed in the decisions of the Supreme Court equates railroad property with all other forms of property. This is the only real and effective stabilization. For the majority's theory to produce effective stabilization of railroad property it would be necessary first to stabilize the dollar."

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## How a Century-Old Firm Keeps Fit

*(Continued from page 29)*

highest quality of business honor—the vision to see that the inside of the can must be fully as attractive as the outside. Hard work means the bed rock knowledge of every possible detail of a business and of any problem which is likely to arise.

"2. Discipline. Hardly anything is as valuable to a business house. The success of a firm is largely dependent upon the faithful execution of orders given by the head. Call it morale. Call it loyalty. It means the undeviating and unflinching drive of the well-gear'd shaft.

"3. Moving of stock. It is vitally necessary to move stock rapidly. Whenever dead stock is found there should be no hesitation about employing strenuous measures. Hesitation and delay are deadly to the wholesaler's pocketbook. That slow, dead stock must be disposed of by extra selling effort or by reduced prices. It must be converted into liquid assets.

"4. Continually increasing sales. To offset the natural shrinkage of a wholesaler's business—shrinkage due to death, to failure of customers, or to customers going into some other business—the wholesaler must always be seeking new customers, new business.

### Expansion Is Necessary

**T**HE natural shrinkage has been shown to average ten per cent, which is loss. It must be met by constant expansion.

"5. Good will. The wholesaler must earn the good will, not only of his own sales force and other employees, but also of the manufacturers and packers from whom he gathers his supplies. He must make, as well, every legitimate effort to secure the good will of the brokers with whom he is constantly in contact.

"6. Proper location. Study of population, of sources of supply, of traffic conditions, and like factors must determine the strategic location of the wholesaler's business. He must find a location where he can do business at less cost than some of his competitors. Perhaps he can save a mile and a half or two miles in truckage, and when that is multiplied by the cost of gas, labor, wear and tear, and other things, it is apt to create a considerable saving. Such details count. To cut expenses one per cent sometimes doubles profits.

"7. Ethics. Don't try to steal trade from competitors. In the long run this is unintelligent and costly. The wholesaler should so conduct his business as to attract to him the highest class patronage of his territory. The house with a name for stealing business or for tricky practices never gains eminence.

"8. Good salesmanship. The first qualification of every salesman should be real enthusiasm for the name and fame of its house and for the excellence of its product. Unless a salesman feels a thing in his heart he can't make a customer believe it. Not so long ago a salesman with that



sincere enthusiasm and thorough knowledge of product convinced one of the greatest chain-store systems in the world that it was to its advantage to install ten-cent packages of food products.

"The order ran into an enormous sum of money and it took the salesman just 32 minutes to win that new business for his house.

"9. Credit. It has always been the policy of R. C. Williams & Co. to maintain a credit system of 30 days, with a one per cent discount for payment within ten days.

"We regard that policy as fundamentally sound as applied to the average business of wholesaling. Credit should never be used as a means of increasing sales. Merchandising of credit is nothing short of scandalous.

"This is what we call our Rule of Nine, and it is a rule which has worked well since the earliest days. Regardless of what the problems are, under average conditions the wholesaler who lives up to such principles need not fear the future, no matter how many chain systems he visions in the coming years."

## Independent Merchants Hold Own

IT was rather sporting of the National Chain Store Association to publish the finding of Dr. James L. Palmer, professor of marketing in the University of Chicago, that "the independent merchant is still the dominant factor in the retail business of the country, despite the growth of the chain stores."

According to his estimate, the independent merchants are still doing 61 per cent of the retail business, while the chains are doing 25 per cent, the independent department stores nine per cent, and the mail order houses four per cent. House-to-house selling he put at one per cent.

Of the future, Professor Palmer hazards the prediction that "chains will continue to grow rapidly in lines already developed and moderately in lines now developing," and he believes that "highest quality at lowest possible prices" will become the slogan of merchandising strategy with no elimination of nationally advertised brands.

Chain stores are here to stay he declares in asserting that

competition can only be met by rendering comparable services at comparable prices, and in the long run it will do no good to legislate against the chains (except as such legislation may be necessary to curb unfair competition), to engage in boycotting those who do business with the chains, nor to organize for the purpose of exploiting an unpopular selling appeal.

That statement offers small comfort to mere prejudicial opposition, but the key to profitable survival is in the lesson taught by the chains themselves—"greater efficiency in management."



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## Produce—But Be Ready to Change

(Continued from page 36)

substitutes for men is as ruinous as for the man to fight the introduction of any kind of machinery.

Prosperity, after all, is measured by employment. Money put into wages adds to the national buying power, and no matter how far the manufacturer may be removed from the ultimate consumer, he cannot expect good business if the buying power shrinks.

A great many business men have been taking the stand in recent years that wages cannot be regarded merely as items of cost, in the accounting of any individual business. They represent an investment in national buying power.

But my argument against certain types of machinery is not based solely on this long view of economics. There is also the pressing and immediate question of flexibility of plant and equipment to be considered.

### Needs Flexibility

**T**HE manufacturer must maintain in his plant today a flexibility which permits him to adjust it to new orders on short notice.

The increasing mechanization of his plant makes this increasingly difficult, for elaborate machinery is not so flexible as man power. Therefore, in any consideration of the substitution of machinery for men, the balance should be in favor of man power unless the difference in production costs to meet competitive conditions is in favor of the machine.

A few years ago, when the whole trend of industry was toward centralization and larger units, this would have been regarded as industrial heresy. Today it is a matter of common knowledge that the trend is in the other direction—toward decentralization and smaller units.

The term decentralization does not mean that the large units in congested industrial areas are being broken up and moved out into the smaller towns. What it does mean is that the natural expansion of industry today is directed into many small plants, rather than into enlargements of existing large units.

The process really is one of continuous subdivision. A corporation builds a small plant at a point distant from its main works which is strategically located to perform one or more preliminary operations. The space thus released in the central plant is devoted to expansion of another operation.

In nearly every industry this has been accomplished by a development of what might be called independent decentralization. The growth of the small plant is a factor to be reckoned with in aggregate volume, to say nothing of its value as an indicator of change. Being small, it is generally more flexible.

In both of the companies with which I am connected tremendous progress has been made since the pioneer days of the

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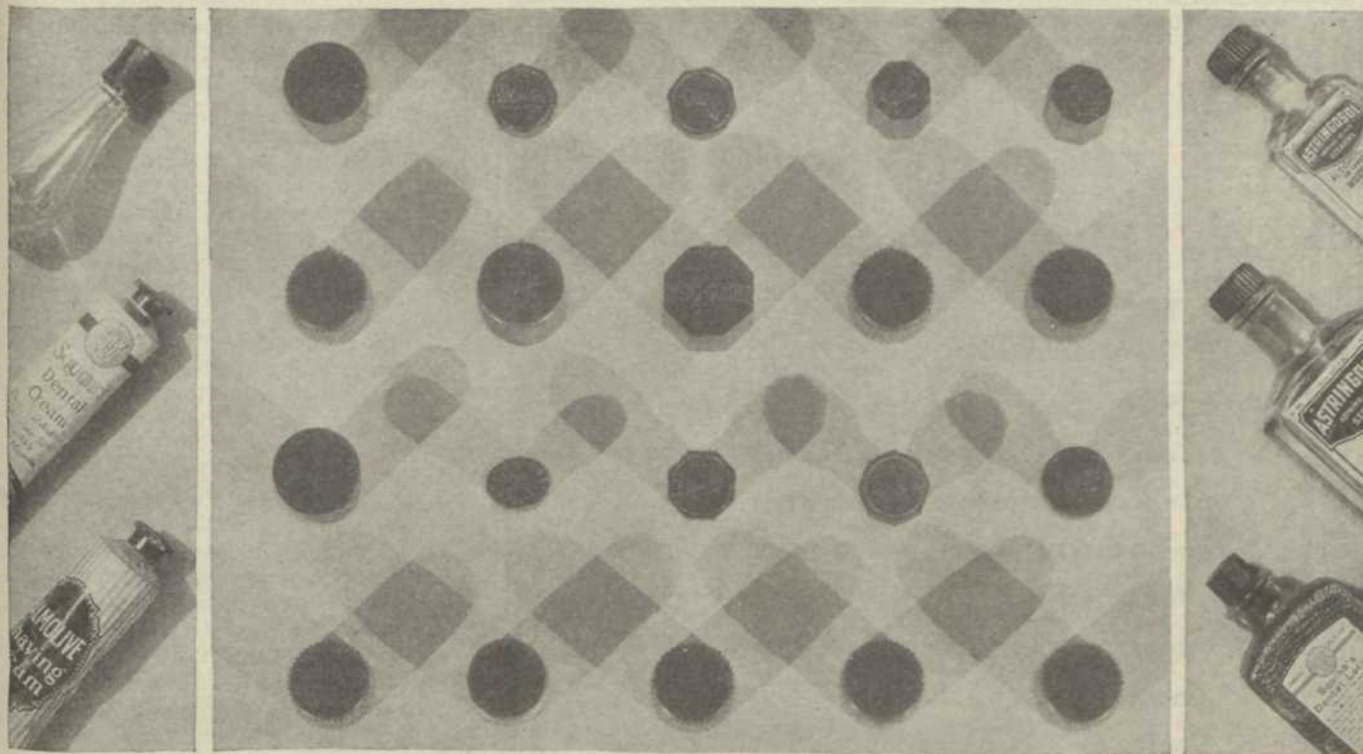
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manufacturing of steel and the forming of steel parts, and in all departments the per capita output has shown a steady and consistent increase. This development, however, has been attained by the use of semiautomatic rather than completely automatic machinery.

Theoretically, we could increase output still more in some departments by the further mechanization of certain processes. But if we did this we should be compelled to drop a great deal of profitable business in relatively small orders, which are below the minimum required for the completely automatic processes to show a profit.

Our competitive position with reference to the larger orders would also undergo an obvious change.

As a result of this policy as applied in the Midland Steel Products Company, our several giant semiautomatic assembly lines which today may be turning out one style of automobile frame by the thousands for a certain manufacturer, are ready tomorrow to operate as efficiently for another manufacturer in quantities of hundreds. In some of the lines we are able to vary our production from day to day, and in all of them from week to week, depending on the orders in hand.

This enables us not only to plot orders against production with respect to any one department, but it also establishes an interdepartment flexibility which keeps the whole plant in better balance and minimizes overtime and other high cost emergency production.

In the making of finished steel the Otis Steel Company also has demonstrated the soundness of these policies.

### Profits in Theory Only

IN many instances which have been called to my attention continuous processes have been installed with full knowledge that their economic production minimum was far above the average order. In other words, if this minimum happened to be 10,000 units as compared to an average order of 1,000, manufacturers have chased after the will-o'-the-wisp of theoretical profits.

My observation has been that this is a waste of productive capacity, and that it has had a great deal to do with the overproduction of which so much complaint is heard.

Overproduction is sometimes underconsumption, but more often it is simply the wrong kind of production.

Output of this character is sold more or less under distress conditions. The manufacturer has to get rid of it in order to get a return on his investment. That alone accounts for a great deal of the rise in the costs of distribution during recent years, since the tendency is to increase the sales pressure rather than to decrease the price.

We do not find distribution costs excessive in either of our plants when we have something that the buyer is eager to obtain, and that is new enough to keep him abreast of or ahead of competition.



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Cards representing sales orders are further used for Powers Automatic Billing and serve as the basis for selection of items to fill the order. Mechanically arranged by merchandise characteristics, by territories, by salesmen or by values, they further produce analyses that eliminate guess work from market determination.

Yes, you could do all this manually but it would be expensive and too slow to prompt the production of best sellers or to prevent the accumulation of lemons. There is a Powers representative near you. He will gladly call or send you literature.

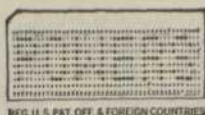
REMINGTON RAND BUSINESS SERVICE INC.

Powers Accounting Machine Division

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**POWERS**  
ACCOUNTING MACHINES

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REG. U. S. PAT. OFF. & FOREIGN COUNTRIES





**Every Plant Executive  
should have a copy of  
"WHATPRICE NIGHTMARE"**

**T**HIS interesting pamphlet gives you the very latest developments in fire-fighting equipment. It is fully illustrated.

You will learn about the new Phomene Accumulator—an entirely new system for conquering flammable liquid fires. Automatically extinguishes the fire, sounds local and city fire alarms, closes fire doors and shuts off electric current.

In addition, this pamphlet gives details of our other fire equipment—a type for every hazard.

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Newark, N. J.

Gentlemen:

Please send me a free copy of "What Price Nightmare."

Name .....

Address .....

When writing please mention Nation's Business

## THE PATTERN OF COMMERCE



*As Seen by*  
**Raymond Willoughby**



**W**HEN measured by the quarter of a century since the epochal take off at Kitty Hawk, our tradition of flying seems rather youthful. It has remained for a fifty-five year old file of an American newspaper to add to the dimensions of our aerial experience. This bit of evidence relates to the attempt in 1873 to pilot a balloon across the Atlantic. As the *Manchester Guardian Weekly* tells the story:

A much bewhiskered gentleman, Professor John Wise, conceived and planned the great adventure, but he quarrelled with



the financial backers and retired from active control before the start. Nevertheless, a balloon called 'Daily Graphic' was prepared in 1873 and launched amid the applause of huge crowds in the Capitoline Gardens of Brooklyn, the Long Island suburb of New York City. There dangled from it, instead of the customary basket, a lifeboat supported by a couple of stout canvas slings. In the boat sat the skipper (one Washington H. Donaldson), an assistant, and a pressman named Alfred Ford, who was to keep the log of the voyage to Europe.

All went splendidly from the moment of the start—for several minutes. Then the Daily Graphic crashed, near New Canaan, Connecticut, though the three aeronauts managed to jump clear just in time. Mr. Ford sat down and wrote a stirring account of 'How We Did Not Cross the Atlantic by Air'—and that was that.

**O**NE of our most popular indoor sports is the "blindfold test" to identify various commodities in trade. Social lights know their favorite cigarettes in the dark, and smaller citizens can tell right off whether they have the desired brand of milk in hand. It's all reasonable enough as far as the advertising goes. But a similar test to ascertain whether there is any difference in taste between white and brown mushrooms developed no appreciable divergence.

The trouble is that prejudice is thicker than a bandage over the eyes. New York

housewives have insisted for years on having white mushrooms, and that demand has raised the price above the level of the cream and brown variety. The same thing with eggs. Boston likes them brown. Thinks they are richer, and so they draw a fancy price. New York likes them white, and that preference rules the quotations.

No group knows the high cost of color prejudices better than the salmon packers. For several years they have been telling the world that there is no difference between pink salmon and red salmon. Despite the expenditure of thousands of dollars, a preference for red is still active and persistent.

Popular notions that a certain color denotes better quality or flavor are demonstrably expensive. It is probably just as true that as long as the public has money to indulge its whims, it will be ready enough to pay the extra charge for satisfying its unreasoning preferences.

**I**T was a good thing for the Graf Zeppelin that America could provide a fuel similar to the Blau gas used in her motors on the western crossing. The German gas is a mixture of 90 per cent ethylene and 10 per cent butane, compressed from 400 volumes into one volume. Blau gas, or "blue gas," is made by "cracking" oil. The American product is made by "cracking" natural gas from



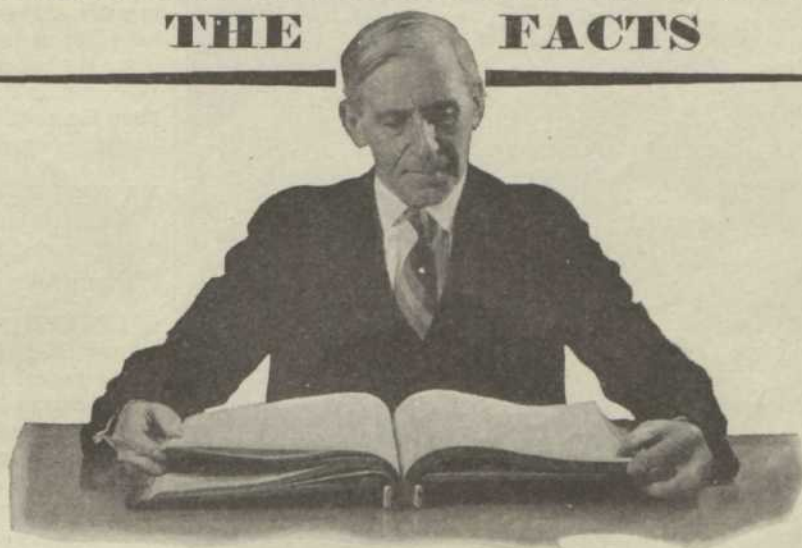
Kentucky wells. In that state it would be readily understood that Nature, too, bottles some things in bond. But there is a wider significance in the fact that Kentucky's traditional triumvirate of famous products is continually expanding.

**T**HE explanation that filling stations were the ruling influence in fixing the size of our paper money seems a bit belated. It is all well enough to say that the smaller dimensions will require less folding, and that the oil-proof paper will resist wear and tear. But will it resist spending? There's the real rub, for in-



**DON'T GUESS...** *that your packaging, handling and storage costs are as low as they can be*

**LET PACKAGE ENGINEERING PRODUCE THE FACTS**



**Y**OU are always alert for methods that will reduce costs, and speed up production, and improve merchandising possibilities.



Present methods may *seem* to be about perfect. Improvement may *seem* improbable. But are you *positive*? Do you know, for example, that textile bags are now saving many thousands of dollars annually for manufacturers and distributors who once felt sure they could not use them?

Do you know that a packaging engineering service, with experimental and testing laboratories, is available for definite proof of savings possibilities in your business?

Do you know that bags have been created to fit *all requirements* of the products to be carried, and that a wide variety of products, previously pack-

aged in heavier, more costly containers, are now being successfully packed in bags as a result of scientific study?

Do you know that filling, closing and handling costs have been greatly reduced by the use of textile bags? — That freight costs are often cut as much as 10%? — That lower space costs, for both empty and filled containers, are the result? Frequently this saving exceeds 50%.

Do you know that textile bags invariably have a high merchandising value—and why?

We are ready to bring you facts—ready to prove whether textile bags can save money for you. A competent staff will study your product, packaging and handling methods and submit a written report. May we have that opportunity?



**TEXTILE BAG**  
**MANUFACTURERS ASSOCIATION**

205 W. WACKER DRIVE

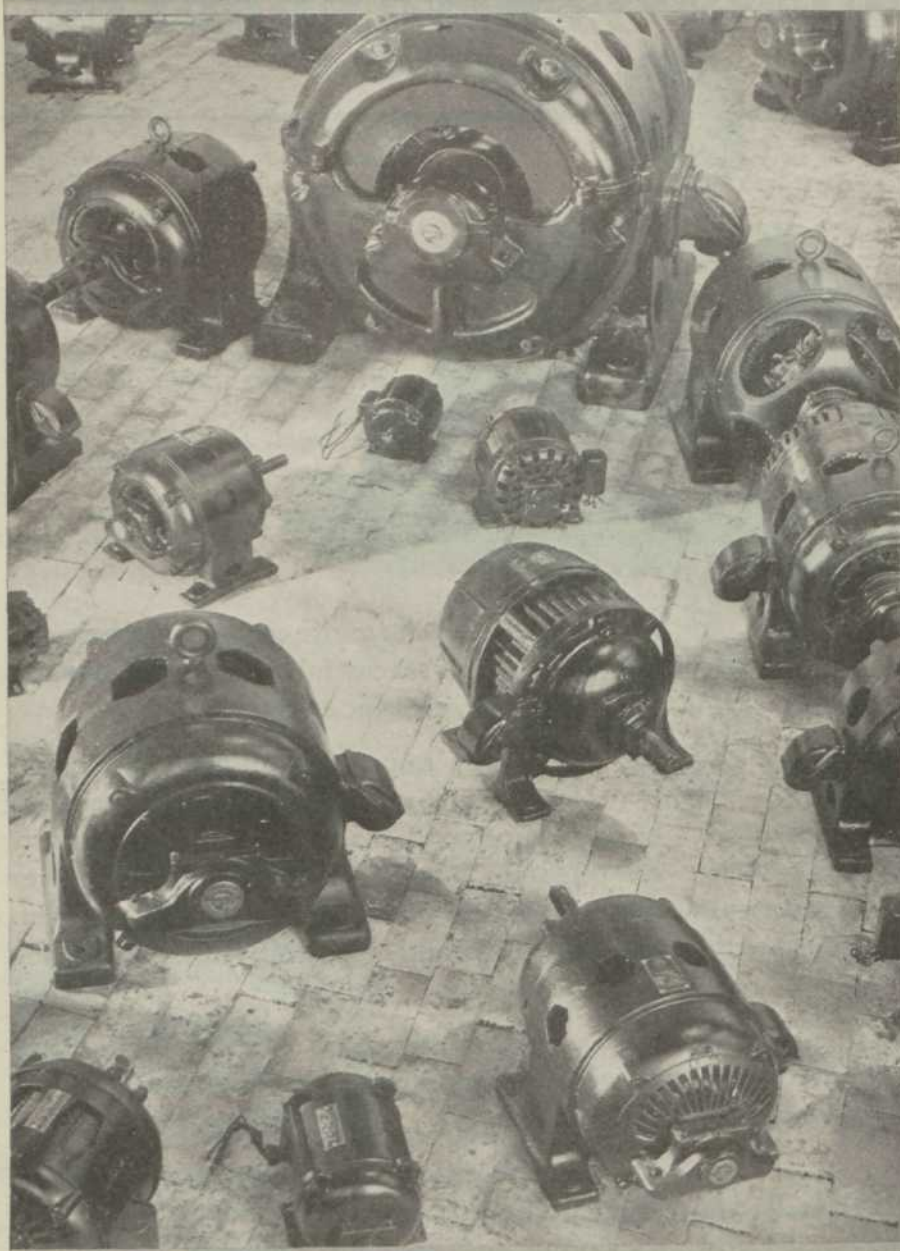
CHICAGO, ILLINOIS





# Use the Right Motor

Whatever you need in motors... mechanical simplicity; automatic starting; high efficiency in starting and in running; adjustable speed; quietness; regulation of power-factor; protection from fumes or dust... Wagner makes every commercial type of alternating current motor, large as well as small.



Wagner engineers invite you to submit your motor problems. They can recommend without prejudice.

*Literature on request*

**WAGNER ELECTRIC CORPORATION**

6400 Plymouth Avenue, St. Louis, U. S. A.

*Wagner Sales Offices and Service Stations in 25 Principal Cities*

**Products:** FANS ..... Desk..... Wall..... Ceiling..... TRANSFORMERS..... Power Distribution ... Instrument ... MOTORS ... Single-phase ... Polyphase ... Direct Current

*When writing to WAGNER ELECTRIC CORPORATION please mention Nation's Business*

## Wagner ...quality

vestigation revealed that every seventh time a dollar bill changed hands, it turned up at a filling station. Even that test seems superfluous. Every motorist has known from the beginning that the gas and oil men had designs on his currency.

**A**FTER all, it turns out that the spice of life in 1928 is not to be wholly credited to the political campaigns. The 49,328,000 pounds of condiments ground in 1927 was an item piquant enough to keep every tongue wagging for a year.

**T**RUST a bed-maker to advertise the "low-down" on sleep. And if the testimonials of several of our great captains are taken at their word, eternal vigilance is not the full price of industrial progress. But wouldn't it change a good many plans if we really could make good as "the restful nation"?

**W**ITH so much business publicity focussed on "club payment" plans, it is harder and harder to know what are social dues and what instalments due.

**S**TEAMSHIP companies are not usually regarded as incubators of culture, yet the "Oriental Art Cruise" sponsored by the American Mail Line provides opportunity to amend the view. This eastern exposure will begin at Seattle on January 12 and end in Manila on March 9. The intellectual argonauts who embark on this cruise will be shepherded by Dr. Herbert Gowen, whose academic honors and professional affiliations fairly outdo the resounding recital of the countries to be visited.

There is something of an earlier philosophy in the thought of the students sopping up the wisdom and ways of the



ancient East as they walk the decks with their instructor. Perhaps Aristotle's gait had no seagoing roll in it while he talked to his followers in Athens, but that difference is no reason for doubting that a mental cargo can be as soundly stored aboard an American ship as in an Athenian street.

**C**HICAGO, as every one knows, takes the pig and divides it into a hundred portions, which are canned or cured or cased and then sent out into the world. More of news is in the *Manchester Guardian Commercial's* report of Germany's utilization of the damson plum and the apricot. By the various processes

the skin of the damson is made into dye, the pulp into jam, and the stones into cattle food. Apricots are either dried or put



up into bottles to serve for dessert fruit, and the stones, which until quite recently have been thrown away, are now being bought up by a firm which extracts prussic acid from their shells, and sells the kernels as 'bitter almonds.'

It is in these solid practicalities that the mind finds a directing reason for the expectancy that in the course of a generation all our destructors and incinerators will have been turned into transformers, to which all rubbish will be taken, not for destruction, but to pass through a change for further usefulness.

IF the Guggenheim Fund for the Promotion of Aeronautics has its way, flyers will soon be able to identify towns and cities by their roof markings. With



achievement of that purpose, the national invitation to "drop in any time" will give not only welcome, but also a dependable guidance.

GAS works and gas tanks are no curiosities in American landscapes, but we do not seem to be as concerned as the English about the esthetics of these utilities. On the word of Sir Michael Sadler, a gas tank—or "gasometer," as he will have it—"if rightly placed and painted, could be as impressive in the landscape as the wheat elevators at Manitoba or the corn ricks on a Cotswold skyline." This colorful possibility moves "Lucio" to put the idea into verse, a sort of easy going gas meter, so to say. Here is a stanza from his contribution to the *Manchester Guardian Weekly*:

O how shall we hide our gasometer's grimness  
And make it a blessing instead of a blot?  
We can't trim it down to an elegant slimness,  
So how shall we deal with the bulk that we've got?  
What art of the painter, what trick or what antic  
Of brush and the camouflage artist's advice,  
Will lend it an air that is less unromantic  
And make it an object attired to entice?

A GOLDEN text for the times: Progress is inevitable.

THE dividing line between news and advertising has a way of shifting to accord with individual interests. Directness and clarity give distinction to the line of demarcation drawn by Owen A. Conner, financial editor of the Philadelphia *Public Ledger*, which is "in general . . . the line which separates information of public interest from information which is disseminated for profit."

## Big corporation saves hours with Telephone Typewriter



*The Universal Portland Cement Company employs it to hasten material orders from its Chicago office to its Buffington, Indiana, plant . . . 22 miles away!*

Why not follow the example of the many corporations that are discarding dallying messengers and giving faster service to their customers with Teletype . . . the Telephone Typewriter?

By means of this remarkable device a typist in your general office can send *typewritten* instructions over telephone wires to any part of your factory, or to distant plants, branches and warehouses, as fast as she can type them.

As the sender sees exactly what is being printed by the receiving machine, errors in transmission are virtually impossible. Machines can be used in either direction, thus making it possible to send a message and receive a reply within a few minutes' time.

A distinct advantage of Teletype is that it provides a typewritten record for filing at both ends. It combines the speed and convenience of the telephone with the authority and permanency of the printed word.

Teletype service is not expensive, and will pay for itself repeatedly by eliminating errors, doing away with messengers and speeding up the flow of business. Without obligation, permit us to demonstrate how Teletype can save time and money for you.

# TELETYPE

## THE TELEPHONE TYPEWRITER

### Notable Users

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Ford Motor Co., Detroit  
Insurance Co. of North America, Philadelphia  
American Can Co., Chicago  
Detroit Edison Co., Detroit  
Union Trust Co., Pittsburgh  
New York Central Railroad, New York  
Roosevelt Hotel, New York  
Radio Corporation of America, New York  
General Electric Co., New York and Chicago  
American Surety Co., New York  
American Radiator Co., Chicago  
Consumers Co., Chicago  
Brooklyn Union Gas Co., Brooklyn  
Bonbright & Co., New York

### Mail

for more information

Sign, pin to letterhead and mail to  
Morkrum-Kleinschmidt Corp'n,  
1400 Wrightwood Avenue, Chicago

Name and Position:

N. B. 1-29



# Our Unfair Government

(Continued from page 22)

but it isn't today with many well equipped American shipping lines operating in those waters. And just what it profits the Government to save on freight and passenger tolls when those savings mean losses in its ship operation may be perfectly clear to the official mind but to others it must appear a bit thick.

It is to diminish these operating losses that the government steamship company enters commercial shipping in competition with private American shipping enterprises.

## Here's a Flagrant Example

**W**AIVING all objections to government operation of ships, if the government ships refrained from competition with other ships, and served only as canal tenders it would be nobody's business but the Government's what rate it charged itself for this service to itself.

But when government ships enter commercial competition with American shipping to make a profit and charge citizens and others higher rates than it charges itself the practice becomes a flagrant example of government invasion of private business.

The canal steamship officials insist that were the government ships not charging these lower rates for government service their earnings on their commercial business would enable them to show a profit. If that be true the business which the government ships take from private shipping would materially assist the fruition of that merchant marine policy, twice declared by act of Congress, "to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine," in private ownership and operation.

But when it is suggested that the commercial services of the steamship company be discontinued as a government enterprise and be given to private American lines in harmony with the spirit of the Merchant Marine Acts of 1920 and 1928 there's a protest to the high heavens against it.

## Opposes Unification

**"YOU** cannot tie the hands of the Governor of the Panama Canal and make continued efficient operation possible by turning over to the Shipping Board the steamship line upon which he depends for the shipment of his supplies," said an executive of the government steamship company in objecting to a recent proposal of the Shipping Board to

take over the Panama line's commercial shipping, preliminary, so the Shipping Board represented, to giving this business to private American lines.

The government steamship official would thus lead us to believe that without the government line the Canal would be seriously handicapped in getting its supplies because of lack of shipping facilities. Yet, there are three private shipping lines operating between New York and the west coast of South America. Two of these, the Grace Line and the New York and South American Line, a United States Steel Company enterprise, are American lines. A third, the Pacific Steam Navigation Company, is an English line.

These private lines operate larger, faster, and better ships than the Government's Panama Railroad ships, and furthermore the private American ships sail practically every day while the government ships sail not oftener than once a fortnight.

Several other lines which touch the same ports tranship cargo at the Canal and there are other American lines to the west coast, such as the Panama Mail

disposed to think favorably of taking the Government out of the Isthmian, West Indian, and South American shipping business as competitors of private American shipping enterprise.

## They Court Public Opinion

**T**HE government railroad-steamship entourage assiduously court public and official opinion. Particularly congressmen. So much so that it is quite the thing for Panamanian wise-crackers to speak to incoming Panama line ships, warping in at the home docks, with some such greeting as this:

"Ship ahoy; is Congressman Soandso aboard?"

This foreign flag bogey is most significant. Peculiarly so because of the serious complaint of the private American shipping lines that the Government's Panama Railroad Company acts as the traffic agent of foreign lines which are in vigorous competition with the private American lines.

Is it that the Government steamship company would smash its American private line competitors as a means of self-perpetuation?

In any event, the Panama Railroad through its steamship company advertises its control of the Canal docks and of the distribution of cargo to all parts of the world.

These docks are owned by the United States Government, paid for at public charge, yet they are exploited as solicitation arguments to induce shippers to patronize the Government Panama line ships to the detriment of private American lines.

## "Best Condition Conceivable"

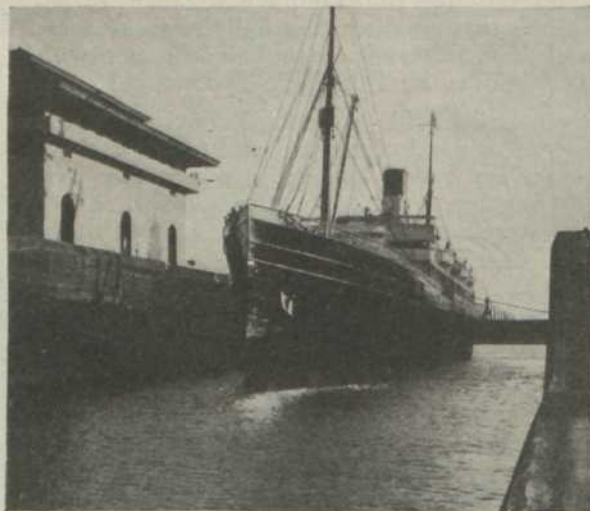
**A**DVERTISING in the *Cali* (Colombia) *Relator*, March 31, 1927, an agent of the Panama Railroad steamship line thus cries the merits of his services:

"Having, as has the Panama Railroad Company, in the ports of Cristobal and Balboa (the ports of the Canal) exclusive control of all docks and the distribution of all cargo for all parts of the world to all the different steamship companies, we consider ourselves in the best condition conceivable since all ships in general must use these docks."

It isn't hard to find officials of private American shipping who entirely agree with this advertiser that he and his government-owned steamship company are indeed "in the best condition conceivable" in getting and monopolizing this shipping business.

Another up-and-coming solicitor for the government steamship company circularizes shippers, enlarging upon the fact that by reason of its "exclusive control of the railroad, docks, and warehouses of the Canal," the government ships "can give service that leaves no margin for competition by other lines."

Furthermore, the government-owned



One of the largest of the government-owned ships enters the upper chamber of the great Gatun Locks

Steamship Company and the New Orleans and South American Steamship Company.

So much for that.

Then there's the hue and cry against foreign flag shipping. The same official, quoted above, in the same statement urging the continuation of the government line's competition with private shipping lines said:

"Way down deep the foreign flag lines are laying their plans and they will control that traffic as sure as God made little apples."

The inference is that the government line, by continuing in business, will frustrate these foreign designs.

This sort of thing is dinned into the ears of congressmen who might otherwise be



# New Orleans - one of America's three "story cities"



MARDI GRAS,  
the renowned New Orleans Mid-winter  
Carnival, January 7th to  
February 12th



AND THEN ON TO CALIFORNIA!

Which are the three most interesting cities in America? Frank Norris, famous novelist, declared them to be New York, New Orleans and San Francisco. "Story cities", he called them, meaning that they offered a logical background for any tale of romance or adventure.

Southern Pacific, by steamship or rail, presents all three of these fascinating cities to the traveler in a single journey. You can take comfortable Southern Pacific steamship at New York, enjoy "100 golden hours at sea" en route to California and debark at New Orleans for a pleasurable stopover in the city that has lived under five flags. You will turn irresistibly to the old French Quarter, the "Vieux Carre" with its mysterious courtyards and iron-grilled balconies of bygone grandeur,—every building of which

is haunted with memories and legends. You will pass the ancient Absinthe House, the Cabildo or old Spanish courthouse with its implements of torture, the innumerable antique shops of Royal Street, and the site of the Hotel Royal where stood the slave block in days before the Civil War. And you will turn with delight to the Mississippi levees where river craft unload their cargoes of baled cotton.

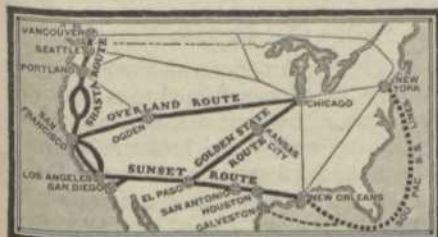
Here is quaintest Dixie! The modern throbbing, vital city of New Orleans can never lose its distinctly foreign flavor. Its history has been a pageant. Founded by Sieur Bienville as the capital of

Louisiana in 1718, it has been successively French, Spanish, French under Napoleon, American under Jefferson, Ante-Bellum, war-torn by the guns of Farragut, and now a great modern port city of the South.

Yes, you will love New Orleans as one of the eternal "story cities" of this continent. And then, continuing your journey on "Sunset Limited" or "The Argonaut", you will be carried swiftly and smoothly across Louisiana, Texas and the Spanish-American Southwest.

Travelers to the Pacific Coast via the Sunset Route may also start their journey from other points than New York, taking the most convenient rail line to New Orleans. Return journey from California can be any one of four Southern Pacific routes.

Stop over anywhere. See the whole Pacific Coast.



## Southern Pacific Four Great Routes

Send your name and address to E. W. CLAPP, traffic manager, Department V-26, 310 South Michigan Boulevard, Chicago, for free illustrated books, "New Orleans" and "How Best to See the Pacific Coast".

When writing to SOUTHERN PACIFIC please mention Nation's Business



## Out of the Realm of Fancy

Trusting to imagination for Facts — and to memory for Figures — puts Business in the realm of Fancy.

Reverse the operation: Trust to Facts for imagination and to Figures for memory—and Business is lifted out of the realm of Fancy.

Modern Accountancy is demanded by the logic of trusting to *facts* and *figures*. Its Budget is a guide to what *should be*, based on what *is*. Its Detailed Audit analyzes and checks what has been. Its Costs are figures based on *facts*. System and Method are the physical expressions of its established order. Good management served by Modern Accountancy *controls*, because through these factors of facts and figures Business itself is lifted out of the realm of Fancy.

### ERNST & ERNST

ACCOUNTANTS AND AUDITORS

#### SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	SAN FRANCISCO
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	LOS ANGELES
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	SEATTLE
		DENVER		

Panama Railroad has absolute control of the transshipment of freight from one line to another at the Canal. It is more than hinted that information the government railroad obtains by reason of this confidential relation leaks out to the advantage of the government steamship line and the lines for which it acts as agent and to the detriment of the private American lines.

#### Agents' Attacked Private Shipping

IT IS of record that agents of the government steamship company have indulged in attacks in print upon at least one well known private American shipping line.

Canal officials, while admitting that such attacks were made, say that they repudiated the attacks, and deny that information which employees derive from any source is used to the disadvantage of private American shipping interests. But it is at least a singular situation in government administration that apparently compels American Government officials to disclaim attacks upon, or deny interference with, private American business enterprises.

Another cog in the competitive machine set up against private American shipowners is the agency established by the government-owned railroad company in behalf of 30 or more foreign steamship lines—all competing with privately owned American ships.

The assumed advantage to the foreign shipowner by this connection is, of course, obvious.

Another is the stevedoring monopoly which, it is charged, is worked to the advantage of the government ships and to the disadvantage of American privately owned ships. Still another is the alleged diversion of cargo from other lines to its own line by pressure brought to bear upon shippers through fear of subsequent discrimination.

Such are the complaints of unfair competition brought by private American shipping interests against this government shipping enterprise.

One hears such stories as these:

Mr. A, let us call him—to keep him from possible reprisals—operates a number of small craft between Colombian ports and Cristobal. He is dependent upon the Panama Railroad Company for the transshipment of cargo for his vessels on their homeward trip. He is, as well, the agent for an American mining company.

It is related that a Panama Railroad steamer, homeward bound from Guayaquil, Ecuador, on July 8, 1926, waited eight days for the loading berth at Buenaventura, Colombia, which was occupied, and then held the berth until July 27, when she sailed.

#### Holds Out Private Vessel

A PRIVATE American steamer arrived July 17 and was obliged to sail out of Buenaventura without cargo because the Panama Railroad vessel held the berth.

Mr. A had a large shipment of platinum which he wished to ship as quickly as possible to avoid loss of interest. He



### Curmanco Letter Rack FOR EFFICIENCY

**Saves Time, Clears Your Desk for Action. Handles, Sorts, Classifies and Distributes**

the papers of your daily work. It saves time and labor, relieving you from shuffling and reshuffling papers many times every day. It provides a place for every paper, with each paper in its place. They are needed on every desk from Manager to Office Boy.

(.....) Cap Size 15 in. wide \$7.00  
(.....) Letter Size 12 in. wide \$5.00

Check size and quantity desired. Pin ad to letter and MAIL TODAY

**CURRIER MANUFACTURING COMPANY**  
8 N. W. Terminal Bldg. Minneapolis, Minn.

Olive Green Art Steel



was eager to ship it on the private American ship which sailed on July 19, but, it is said, he was warned by the captain of the government boat that if he shipped by the private American steamer he need expect no assistance whatever from the Panama Railroad Company in securing cargoes for his boats coming from the Canal.

A steamer arrived at Cristobal, November 11, 1926, laden with coffee for New York. A private American ship was due to sail from Cristobal at noon, November 12, for New York.

The agents—so the story goes—wished to hold the private American craft for this cargo, but the Panama Railroad Company held the cargo for its steamer sailing November 13.

Was it from information the railroad company obtained as receiving and forwarding agent of the Canal that it had knowledge of this cargo?

Did it take advantage of its control over the docks and its handling of all cargo transshipped at the Isthmus to hold the coffee?

A Panama Railroad steamer arrived at the Canal on June 8, 1927, from New York, with 80 tons of cargo for transshipment to Buenaventura, Colombia, which was routed "shipment from Cristobal by first steamer."

According to this story, three steamers seeking cargo for Buenaventura sailed after the arrival of the government boat—one was a Norwegian, another was a German, and the third was an American. Nevertheless the Panama Railroad Company held the cargo for a Swedish steamer, operated by a company for which the Panama Railroad acts as Isthmian agents, and the cargo was delayed to favor this line.

#### How Government Competes

SUCH is the paradox of Isthmian shipping. A steamship company owned by the American Government is the hard-boiled competitor of the private American shipping lines. It is charged with utilizing every advantage of its control of the Canal and Canal facilities to consolidate its position to the detriment of the private American lines and with utilizing foreign lines to aid its purposes.

And all this in the very teeth of two acts of Congress, signed by two Presidents of the United States, positively declaring it to be the policy of the United States to foster the maintenance of a privately owned American merchant marine!

The irony of the situation recalls the reply, some 20 years ago, of a Senator, nationally celebrated for his wise-cracks, whose state had lately gone prohibition, to an inquirer who asked him how it was working:

"Like a charm," said the Senator, "the good folks have their law and the thirsty have their booze."

And so it is in Isthmian, West Indian and South American shipping. The American merchant marine has its law—but the government-owned Panama Railroad Company still has its ships, and the long odds in the game.

## Your truck drivers need help



The American Mutual has studied operating conditions of truck fleets that have averaged one accident every 4,000 miles. Our engineers have improved these records to the extent that



some of them now average only one accident every 150,000 miles. We have instituted systems of safety that get the cooperation of the entire personnel . . . and materially reduce operating



costs . . . part of the service you receive as an American Mutual policyholder. Send for a booklet designed to guide the driver of trucks or pleasure cars . . . just mail the coupon below.

Never less than 20% Dividends since 1887

# AMERICAN MUTUAL



Workmen's Compensation  
and Automobile Insurance

Send this coupon for "The Man at the Wheel"  
To the American Mutual Liability Insurance Co.  
142 Berkeley Street Boston  
Please send me your booklet "The Man at the Wheel"  
Make of car \_\_\_\_\_ Year \_\_\_\_\_  
My insurance expires \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_ Model \_\_\_\_\_





## Saving labor costs— building better lawns

Ideal Power Lawn Mowers mean low repair bills, and their great ability for work means that lawns can be trimmed more often for the same labor cost.

Two sizes roller type and 2 sizes wheel type. They cut close up to shrubs, trees, etc., slow down for corners—make a cleaner cutting job from first to last.

Send now for full particulars and prices on these practical power lawn mowers that mean better lawns.

IDEAL POWER LAWN MOWER CO.  
450 Kalamazoo St., Lansing, Michigan

IDEAL POWER LAWN MOWERS



## Overnight From Branch to Customer

From your modern suite in one of the many metropolitan office buildings in "The Dynamo of Dixie," you can have overnight contact with practically every important trade center in the South.

Nine big railroad lines sprout out in every direction making one-third the total population accessible within 24 hours. 68 passenger trains a day. 180 fast package cars daily.

No wonder Chattanooga distributors of 1500 diversified articles are day after day becoming more deeply entrenched in the rich Southern market and rapidly expanding in response to steadily mounting profits.

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# Chattanooga

DYNAMO of DIXIE

Garnett Andrews, Director  
Chattanooga Community Association  
Chattanooga, Tennessee

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## NEWS OF ORGANIZED BUSINESS

By Willard L. Hammer



Denver Board of Trade founded 1867

### Our Exports Increase

A REPORT by the National Foreign Trade Council says that American export trade for the first nine months of 1928 was the largest in volume ever recorded in a similar period and the largest in value since 1921.

Of the \$3,563,000,000 worth of exports reported for the first nine months, about 73 per cent, the highest proportion on record, represents goods wholly or partly manufactured. About one-fifth of these manufactured goods go to Latin America, where we are now selling more than our three leading competitors—England, France, and Germany—combined.

The American manufactured exports, valued at more than \$2,600,000,000, which were sold abroad during the first nine months of the year, exceed by more than \$50,000,000 our exports of raw and manufactured goods combined for the year 1913.

Among the various industries, the automobile particularly has increased its sales abroad. Exports of automobiles, trucks, parts, and accessories now is 14 per cent of the manufactured exports, the largest share it has ever held.

### Founding of Chambers

NATION'S BUSINESS is interested in printing wood cuts of distinctive scenes in cities having long-established chambers of commerce or boards of trade. These cuts are to be used at the head of this department of the magazine as similar cuts have been used for the past year.

Secretaries of such organizations are invited to call our attention to any chambers or boards that have been in existence for a half-century or more. Address communications to the editor of this department.

### Library Helps Business

THE Newark Public Library has what we believe is a novel system of helping business. First, it has a branch devoted to business and specializing in directories, maps, business books, magazines, and investment information. Then it publishes

monthly sheets to make this business information more easily available to the business man.

An instance of usefulness is its recent note on investments and investors. In a paragraph the sheet says that there are three ways of getting investment information: to ask your banker or broker, to subscribe to one or more of the investment services, and to consult the investment material available for use at the library. The note then concludes with a bibliography of the most important manuals, investment services, handbooks, and recent books and investment magazines. It is a convenient list, to be obtained otherwise only at the expense of much trouble.

### Chambers Help South

ARTHUR COLEMAN, writing under the title of "The Authentic Story of the New South" in *Holland's Magazine of the South* gives some interesting information on the progress of the South since the Civil War.

To begin with, the South was a cultured, vital part of this country. It held much of the resources and much of the material prosperity of the country. Came the Civil War. Four years wiped out everything the South held except its fine spirit and its very young and very old men.

In the 63 years since that war, the South has labored and built and regained "more than half the power it held." As the author says:

It is almost incomprehensible that a people could surge upward from the very pits of despair and ruin and, in one lifetime [63 years] center the attention of a nation on themselves; make such gigantic strides in manufacturing and other development as to attract the interest and capital of a nation to whom big business is an open book, and still stand forth in the security of the knowledge that the resources of the New South are but partially explored, little known, fractionally developed . . . a people and a land with all the charm of tradition and blood and breeding of the old, now fresh and vibrant with the courage of the new.

The growth of the South is a growth of



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# ROBERTSON





# Manufacturers are looking for answers to these questions— *now*

Manufacturers are mapping their strategy for 1929—and future years. A period of unparalleled industrial activity lies ahead. Here are the things they are thinking about—talking about.

★In the January issue of the monthly "Ferguson Cross Section" is an article discussing correct methods of procedure in preparing a building budget. Write for your copy.

How can I speed up my production?

How can I lower my manufacturing costs?

Will improved layout and equipment help?

Are there "bottle-necks" in my plant that hinder other departments?

Will I need more floor space?

What type of building will I require?

Will a building program interrupt my production?

Can I be sure my building will be ready on a definite date?

★About what will it cost for budget purposes?

Do I need other branches or warehouses for strategic distribution?

Will it cost more now or later?

*Who can help me to answer these questions quickly and authoritatively?*

**N**EAR you is a Ferguson engineer who can be in your office at your convenience. He will discuss these questions with you. He can answer them fully.

Back of him is an organization of international standing—an organization that for many years has been working out the answers to these very questions for many great industrial concerns.

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# Ferguson

ENGINEERS

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commerce. And the growth of the South's commerce has centered around the activities of its chambers of commerce and trade associations. It is interesting to note that the second chamber of commerce founded in this country was at Charleston, S. C., in 1768.

Chambers of commerce are constantly and rapidly growing in this new empire. Their work is assuming new importance. Their old barnstorming tours of good will have been abandoned for more important activities. The southern chambers have a new responsibility in protecting their rapidly growing communities from dangers in economic development that an older commercial community would recognize without aid. To quote again:

There is no place in the modern scheme of life in the South for the man who cannot cooperate, cannot work in harness with his fellow man. Cooperative effort is a necessity, and out of that necessity has arisen the service club of today. . . . These organizations are working together. Never before in the history of the South has there been such cooperation between groups of totally differing natures as today.

This article of Mr. Coleman's is the first of a series to explain the accomplishments of the New South.

### Conventions in Havana

HAVANA, the very interesting capital of interesting Cuba, is now making a bid for the new and profitable convention business. A Cuban correspondent writes to tell us of the success in handling a recent convention of some 8,000 attendants from the United States. There was no trouble in the transportation to and from the island nor with accommodations there.

The Hotel Association of Havana and the National Tourist Commission announce that they are ready to take on conventions of almost any size. The government is also constructing an auditorium in the central part of the city with a capacity of 15,000 people. Already there are facilities to care for meetings of six or seven thousand persons.

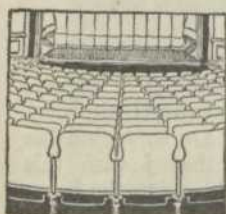
### Coming Business Conventions

Date	Place	Organization
January		
3-4	Fayetteville, Ark.	Ozark Canners Association.
7-10	Chicago	National Shoe Retailers Association.
9-10	Boston	Eastern Soda Water Bottlers Association.
10	New York	Associated Dress Industries of America.
10	New York	Pyroxylin Plastics Manufacturers Association.
15-16	New York	National Boot and Shoe Manufacturers Association of the United States.
15-17	Chicago	Better Bedding Alliance of America.
15-17	Kansas City, Mo.	Western Retail Implement and Hardware Association.
16-17	Boston	New England Association of Ice Cream Manufacturers.
17	Minot, N. Dak.	Tri-State Florists Association.
17	New York	Umbrella Manufacturers Association of America.
17	Chicago	American Walnut Manufacturers Association.
17	New York	National Jewelers Board of Trade.
21	Paterson, N. J.	Silk Dyers Association of America.
22	Minneapolis	Northern Pine Manufacturers Association.
22-24	Louisville, Ky.	American Wood Preservers Association.
24	Spokane, Wash.	Western Red Cedar Association.
25	Providence, R. I.	Manufacturing Jewelers Board of Trade.



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*Each day new uses are being revealed for this product, because of its unusual workability, uniform strength, high resistance to moisture and other astounding advantages. Write today for a generous sample—sent free—and test for yourself its remarkable possibilities.*



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There is little waste with Presdwood. It is easily handled. It can be used on any woodworking machine; it can be cut out, punched, die cut and scraped. It is perfectly smooth on the face side and requires no paint to withstand the elements.

## New uses discovered daily

Each day new uses are being discovered for this remarkable product. Each day enthusiastic letters of praise are being received from a wide range of industries.

Motor boat hulls, truck bodies, tension boards for radio speakers, portable billiard tables, toys, bedroom screens and fire screens, store fixtures and table tops, show window flooring and show cases, interior finish and office partitions, radio boxes, paneling, closet lining and display booths, breakfast nooks and kitchen cabinets, signs and cut-outs of all kinds, suggest some of the many and varied uses of Presdwood.

Several railroads are now using Presdwood as paneling in their new Pullman cars. A box maker turned to Presdwood after a box of this material had withstood being dropped 1942 times when a similar box of conventional material failed after 871 drops. The Chicago Art Institute is using Presdwood as a backing to protect rare works of art. Campers' tables, safety wheels for bathing beaches, bread boxes, dust arresters for journal boxes and lining for elevator and ventilator shafts, suggest more of the seemingly endless uses of this grainless wood board.

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If discovering new and profitable applications for a product of unusual workability intrigues you, do not fail to write today for your free, generous sample of Presdwood. The chances are it will enable you to learn how to make a worthwhile improvement in some product.

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# WHAT I'VE BEEN READING

By WILLIAM FEATHER

**J**OHN BURROUGHS inspires one to try to live sanely.

Because I have been reading "The Heart of Burroughs' Journals" I am moved to announce that I lived sanely last Sunday.

Breakfast in bed at nine. Then I read the newspapers, dressed, and took the dogs, a collie and a Scotch terrier, for a walk. It was good football weather, the air being too cold for rain and not quite cold enough for snow. The leaves on the trees were dry; most of them had fallen. Through the bare limbs a new landscape opened, revealing a small lake that had been hidden through the Summer. A squirrel hopped leisurely across our path, and the dogs tugged at the leash.

Back home for hot roast beef, after which I glanced through *Printers' Ink, Advertising & Selling, Commerce & Finance, the Survey, Time*. Then I finished "The Art of Thinking," by Ernest Dimnet, which I had begun a few days before. I will tell you about it later.

About four o'clock I decided I would get restless before evening unless I went out into the air again. The dogs lie close to me on Sundays, alert for such moments. As I moved toward my coat they knew what was up, and barked. A good dog is sensitive. At a word he knows whether he is going or is to be left behind. These dogs respond to a frown more quickly than some dogs to whips. So we told them to lie on a shelf in the roadster. My wife and I piled in, and drove to our farm about ten miles out.

We picked an armful of dark red chrysanthemums, ate a couple of apples, decided the ground was too wet to gather hickory nuts, and returned home where we found the children. They had been at a movie.

The maid was out, and nobody was very hungry, so we told the youngsters they could make popcorn and fudge. Despite a good deal of argument, they emerged in a half hour with two bowls of nicely buttered popcorn which was easy to eat. The fudge was presented

later, and that was good, too. Those who wanted more to eat were told to find it in the ice box.

At nine, after listening to the radio, the children went to bed. I threw another lump of coal into the fire, and continued with John Burroughs. At half past nine I was hungry enough to stretch

material in this new Burroughs book is admirably selected. The book is a fine companion of "The Heart of Emerson's Journals" and "The Heart of Thoreau's Journals," earlier productions of the same publishing house. Emerson, Thoreau, Burroughs—and Whitman—were contemporaries who knew and appraised each other's work. They were great writers and great philosophers.

## Pungent Paragraphs

from current books

It's THE multimillionaire who can't find a cure for his liver complaint who is sure that money doesn't bring happiness.

ART YOUNG,  
in "On My Way"

THE GREATER a man is, the more distasteful is praise and flattery to him. If there be such a being as men call God, how sick and disgusted he must have got, long ago, by the cringing and abject attitude of mankind before him—fulsome flattery and insincere praise, and all for selfish purposes!

JOHN BURROUGHS,  
in "The Heart of Burroughs' Journals"

Is it not a fact that we can tell an educated man from another, not merely by his manners and language, nor even by his information, but chiefly by his capacity for resisting another man's thought and defending his own views?

ERNEST DIMNET,  
in "The Art of Thinking"

WHAT is called a man or woman of action is almost always a deformed and deficient artist who yearns to express himself or herself but, unable to express by creating, must assert by interfering.

CLIVE BELL,  
in "Civilization"

IN "The Art of Thinking" is offered a wealth of suggestions for personal improvement which are so reasonable and usable that I wish this book could be given the benefit of the high-pressure advertising that is so often used to promote the sale of inferior books on will power, happiness, success, etc.

Dimnet is a Frenchman. He does not hold up a bag of gold as the goal for the thinker, nor does he sneer at material success as a desirable achievement.

But he suggests that straight and creative thinking may be good for our souls.

Instead of offering a list of quack short-cuts, he tells us how we must conduct our lives in order that we may have time to think.

He proposes that we read the best books, that we avoid time-consuming recreations that make no adequate return, and that we try to get acquainted with ourselves by occasionally soaking ourselves in solitude.

ART YOUNG'S "On My Way" is as downright interesting as Burroughs' Journals, and in some ways Young reminds me of Burroughs.

Art Young is a cartoonist.

He is a great artist.

He thinks in pictures and never drew a dull or meaningless one.

Young may also be remembered as a member of the old *Masses* group of militants who in the early years of the last decade thought that American civilization was bankrupt. Young drew ugly pictures of capitalists because he supposed that capitalism was the root of all

my legs and locate a section of Camembert cheese, a plate of crackers, and a bottle of ginger ale. I turned the radio dial to the Atwater-Kent concert, and listened to excellent music as I ate my late supper.

At 11 I was ready for sleep, feeling that I had enjoyed a thoroughly satisfactory day.

BURROUGHS will do that for you. He is as relaxing as a hot bath. He is vigorous and sane. His tempo is soothing, but his words are muscular. The

\* *The Art of Thinking*, by Ernest Dimnet. Simon and Schuster, New York. \$2.50.

\* *On My Way*, by Art Young. Horace Liveright, New York. \$4.

\* *The Heart of Burroughs' Journals*, edited by Clara Barrus. Houghton Mifflin Company, Boston and New York. \$3.





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—every operation. With Elliott-Fisher accounting-writing equipment, your present accounting department can furnish this vital information each morning with the mail.

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the meanness and poverty and suffering in the world. He is an incorrigible sentimentalist, so kindly disposed toward mankind that he would embrace any doctrine that seemed to offer hope.

Events have not transpired as Young imagined they would. This terrible capitalism has created a modest Utopia in the United States which surpasses the dreams of the socialists of the early years of the century. Nearly everybody now has an automobile, nearly everybody fit for a high school or college education gets it, and it becomes increasingly clear that if we will be patient we shall make comfort and economic security so universal that our problems will soon be those of the present-day wealthy—that is, psychologically.

Art Young is naive, yet sensible, honest, observing, and often as penetratingly philosophical as Emerson, Howe, or Thoreau. He should have been writing all his life instead of doing so much art work.

Here is something I considered particularly illuminating. It was written on December 18, just a few days before Christmas. Young observes:

"I had to make a complaint that some work I was having done about my place was not satisfactory. 'I never had any trouble before' was the carpenter's reply. How often when we are compelled to criticize we are met with a look of astonishment on the part of the accused and those words, 'I never had any trouble before,' as if you were a person of unusual exactness or meddling disposition. I told the workman that to have worked many years for others and not to have had trouble before meant that his employers had been mental eunuchs."

I quote a few other short paragraphs, the equal of which can be found on almost any page:

"We enter matrimony thinking it will be a sort of side-issue. But we discover that it is the most important undertaking of our lives."

"It seems to be the prevailing opinion that if you look a man straight in the eye you must be honest. Some of the most crooked men do that and don't bat a lash."

"I never got weaned out of sentimentality—anything pertaining to the sadness of departed days or broken hearts, wistful longings of childhood, defeated old age, whether in ballad, play, or movie, has to be very badly done to divert my mind from the sadness of the theme and to keep me from weeping. At a guess, I am about 51 per cent—sentiment."

Few men have ever put themselves in a book who have interested me as much as Young. He is now past 60. I have never met him but I have seen his drawings for the last 20 years. He turns out a good fellow. I commend the volume to those who enjoy effortless brilliancy.

WHEN I was in Philadelphia recently I had a long talk with C. A. Bowsher, whom I have known for many years. Bowsher has spent most of his life attempting to define the philosophy

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of Americanism. To him Big Business is a system of sovereign commercial states. Grower, miller, and baker make the commercial state of wheat. The commercial state of radio is in development.

The commercial states must balance their purchasing powers. Mutual selfishness will compel them to be fair with each other and with consumers.

Occasionally Bowsher, founder of what he calls "The University of the World, instituted to propagate the philosophy of Americanism," issues a message on the back of a government postal card.\* On one of these, he says:

"Big Business has entered the crisis of a world financial storm. Its furious forces of inflation are devastating investment securities and undermining the foundations of the gold-worth system of finance that has dominated Big Business since 1896. . . .

"Corporations of Big Business now function as institutions of money issue in the realm of commercial credit by means of investment securities through the Stock Exchange, with a greater force than the United States Treasury and its Federal Reserve System, but with no standard of valuation whatever to determine the integrity of their media of exchange. Colossal institutions of finance, compelled to bid against one another for the preferred issues of these non-valued investment securities for assets, cause the phenomenal appraisals of stocks and bonds to develop as inflations of this greatest financial crisis in history."

When he lived in Cleveland, Bowsher, due to his unique character and intellectual capacity, attracted the interest of many of the business leaders of the city. He met with small groups which paid him \$1,000 for a series of lectures.

Years ago he wrote the following which strikes me as genuine philosophy:

#### The Gospel of Selfishness

To preach unselfishness and to practice unselfishness beget poverty, misery and woe.

To preach unselfishness and to practice selfishness beget hypocrisy, hate and greed.

To preach selfishness and to practice selfishness beget justice, progress, and prosperity.

To preach selfishness and to practice unselfishness beget useless pleasantries. They are waste of effort and idleness of time. They formulate futility.

CLIVE BELL, the English critic, proposes that we endow a leisure class.\*

We now have a leisure class, of course, but Bell does not consider its members fit to lead us forward to a better way of living.

The endowed group would have all the money required for a decent existence, but no more. They would be permitted to do as they please—study, dream,

\*Issued by C. A. Bowsher, P. O. Box 164, Philadelphia, Pa. No charge.

\*Civilization, by Clive Bell. Harcourt, Brace & Company, New York. 264 pages. \$2.50.

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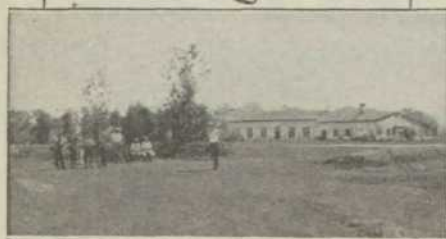


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## ARIZONA



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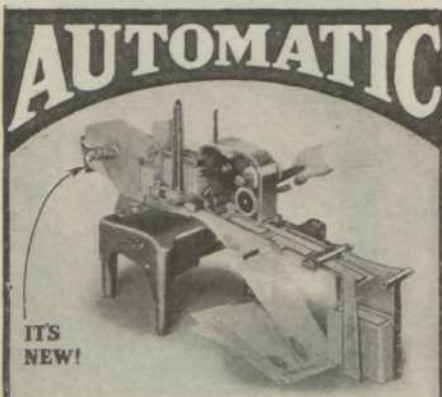
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plant roses, travel, dance, talk, drink tea or whisky, write books or songs, ride horses or play golf, criticize architecture, government, politics, or business. Nothing tangible would be expected of them.

By this example it is expected that they would demonstrate the delights of a civilized life, and that those of us who are vulgar, crude, and earthy would be stimulated to improve ourselves.

How would this group be selected?

**B**ELL contends that it is none of his business to contrive the method; he has done enough in suggesting the idea. But he indicates that he might have competitive examinations or choose the top boys and girls in the public schools. He is even willing to let it go by chance, choosing every two-thousandth baby.

It is not Bell's notion that these people shall become great artists, statesmen, or scientists. It is not even necessary that they develop any creative ability. That they appreciate the best is enough.

"By living passively they become the active promoters of good," he writes in his book, "Civilization." "For when it begins to appear that the few (the endowed leisure class) have discovered intense and satisfying delights which have escaped the notice of less inquisitive and less gifted pleasure-seekers, the many will begin to wonder. They will wonder whether there may not be pleasures better than their own."

"Can art and thought, the play of wit and fancy, and the subtler personal relations really mean more to these odd people than racing, yachting, hunting, football, cinemas, and whisky? One memorable day it will become unmistakably clear that they do; that there are people who can afford the latter and yet pursue the former. That makes one think."

Clive Bell's idea wouldn't work, but it has merit.

The progress that has been made in

industry suggests that within another generation or two we shall all enjoy far more leisure than we shall know what to do with unless we prepare ourselves for more civilized pleasures. Games, dancing, touring, movies and cheap novels are all right, but a civilized person, with a good sense of values, knows that they are overdone. Subtler delights must be cultivated.

The art of conversation must be developed and that must be founded on wider reading and study and a livelier intellectual curiosity. It occurs to this writer that adult education, pursued largely for cultural purposes, is already demonstrating great possibilities. The large enrolment in the extension schools shows that when ordinary people have the time they are quick to seize the opportunity to fit themselves to enjoy the best of life.

**F**IRST we had the Book-of-the-Month Club which sends its subscribers a newly published book each month, selected from the publishers' advance lists by a distinguished group of editors. The price of membership is \$24 a year. Subscribers are offered the privilege of return or exchange. The club now has a membership of more than 85,000.

Next came the Literary Guild which publishes its own books. Its manuscripts are chosen by noted editors. Subscribers pay \$18 a year for one book each month.

Another addition is the Book League of America, which offers 24 books for \$18. Twelve of the books will be new publications, selected by eminent editors, and 12 will be old books, chosen by a vote of members from a list of titles.

The growth of the book clubs in number and membership indicates that this plan of merchandising is sound. It is putting good books into the hands of people who had never acquired the book-reading habit. I anticipate wholesome results.

## On the Business Bookshelf

**M**ODERN purchasing is just the opposite of what it was not so many years ago. Whereas the manufacturer then had something to sell and sold that to whoever would buy, now the consumer decides what he wants to buy and it is up to the manufacturer to give it to him. This buyers' market has made many changes in the old order of things. Chief among these changes is the introduction of scientific purchasing.

This volume deals exhaustively with the growing importance of purchasing. Among the phases considered are control of quality, budgetary control of purchases, and control by statistics and trade data.

Standardization, obviously, plays an important part in scientific purchasing. Mr. Harriman in his interesting book gives a brief outline of standards and

specifications in purchasing. He does not attempt to give close attention to the technique used in the purchase of particular commodities and to standard forms and routine office methods. He does give, however, the purchasing organization and procedure of four of the large purchasers of America.

**"REPRESENTATIVE Industries in the United States"** is the work of selected leaders in typical industries of the United States. It is published to enable the average business man to know more than his own business. The inter-

**"Principles of Scientific Purchasing,"** by Norman F. Harriman. McGraw-Hill Book Company, Inc., New York, 1928.

**"Representative Industries in the United States,"** edited by H. T. Warshaw. Henry Holt and Company, New York, 1928. \$5.00



## A Tale of Two Shippers

**1.** THE SHIPPER who doesn't know The Erie Railroad because he has not used it, or, possibly, thinks of it as the railroad the wise crackers used to tell those funny jokes about.

**2.** THE SHIPPER who keeps himself and his business abreast of the times and knows that The Erie Railroad has been rebuilt and re-equipped, and under its new owner-management is giving a performance that is attracting the business and transportation world.

THIS SHIPPER has found that one of the keys to his business success is a fast, dependable transportation service. When he asks for something out of the ordinary he gets it with a smile. He holds his old customers and wins new ones. His business is growing because he is able to give his customers that "little better" service.

## ERIE RAILROAD

THE ERIE ENTERS NEW YORK AT THE FRONT DOOR







## In 2700 Communities—

In your own—it's very likely—there is a man who can be of real service to you. For in practically every leading city or town of the United States and in the important centers of many foreign countries, there are active, energetic, well-informed agents of the Agricultural Insurance Company.

That name Agricultural means something. It has a history.

More than three quarters of a century ago our company was formed to offer insurance to the farmers of a single county in up-state New York. It has grown steadily until today our business has so developed that industrial risks form a large part of our underwriting.

We are proud of the name and the record for which it stands. It symbolizes the pioneer cour-

age of our founders. It reflects our long experience. It marks our belief that after all an insurance company is made up of friendly, human people; and that our business must be a personal one because it depends largely upon mutual fairness between the company and the insured.

You can have complete confidence in our agents. They are selected because of their experience and training. They live up to the traditions of

this company to serve honestly and sincerely.

You can obtain Agricultural policies for all the usual property coverages—whether for business or for home. If you do not know the Agricultural agent in your community, write us direct and we will gladly have him call upon you.

*Here are some of the policies offered by the Agricultural:*

Fire • Parcel Post  
Automobile • Marine  
Use and Occupancy  
Rent and Leasehold  
Windstorm • Floaters  
Sprinkler Leakage  
Registered Mail  
Transit • Earthquake  
Tourists' Baggage  
Explosion and Riot  
Aircraft Damage

*Let us send you booklet "Cash Value"—a discussion of the relation between insurance and property valuation*

**Agricultural**  
Insurance Company  
of Watertown, N. Y.

When writing to AGRICULTURAL INSURANCE COMPANY please mention Nation's Business

dependence of business which NATION'S BUSINESS has been preaching for many years makes it necessary, in fact, for this average man to know something of all other industries. This book, then, helps him to learn quickly and easily the essentials of other businesses.

The material is so arranged and so presented that the general reader on industrial and business problems will find it interesting and informative as well as the business man mentioned above who finds it necessary.

A BOOK on business law must be good to stand the competition in that field. "Principles of Business Law," by Professors Dillavou and Howard of the Universities of Illinois and Oregon, is a good book.

These men have made a delicate compromise between the old text system of teaching and the new case material. Feeling that a student does not have sufficient time to read enough cases to show all that he should learn, they have prepared a text liberally supplemented with abbreviated case material. They believe that they have thus grasped the best of both systems of teaching law.

The subjects treated, contracts, agency, negotiable instruments, partnerships, corporations, stockholders, and personal and real property among the most important, are worth the reading of the business man. Rarely the man who does not have use for knowledge of some or all of the subjects treated and rarely the day that a business man does not run up against one or more of the problems here solved.

A SUBJECT of which very little has been published is that of profit sharing with management. The reason is obvious, or rather reasons: The compensation of higher officials was considered confidential business; and the manager until a few years ago was the owner, therefore managerial profit sharing systems were at a minimum.

The publication of the present book on the subject brought to our mind again the fact that industry is now divided into three, not two classes, that is, not only capital and labor, but management.

Mr. Balderston has described various bases on which plans for extra compensation for managers may be worked out. He has given consideration to those which are squarely based on an attempt to give managers their just share of the fruits of their company.

Afterwards, he discusses the actual form of plans. All in all, the book is very informative.

A NEW market is opening up in the Orient.\* The people there today are breaking their time-worn customs and

\* Principles of Business Law, by Essel R. Dillavou and Charles G. Howard. Prentice-Hall, Inc., New York, 1928. \$4.

\* Managerial Profit Sharing, by C. Canby Balderston. John Wiley & Sons, Inc., New York, 1928. \$2.50.

\* A Billion Potential Customers, edited and published by American Mail Line, Seattle, Wash., 1928.



traditions. A half billion people are demanding modernism.

Such is the market that the American Mail Line presents in its booklet a symposium of authorities on trade with the Orient. Incidentally, it is strikingly illustrated with cuts.—W. L. H.

**T**HE hejira of a worker both from woe to happiness and from the economic depths to the heights is related in a 48-page pamphlet, "Jason's Mystic Change," Frank O. Garrison's "story of a man who found himself."

It is an inspiring bit of writing and contains more than a few thoughts for both employee and employer.

<sup>a</sup> **Jason's Mystic Change**, by Frank O. Garrison. William Goldwaite, Seattle, Wash., 1927.

#### RECENT BOOKS RECEIVED

**Personnel and Labor Problems in the Packing Industry**, by Arthur H. Carver. The University of Chicago Press, Chicago, 1928. \$3.

**Accounting Method**, by C. Rufus Rorem. The University of Chicago Press, Chicago, 1928. \$4.50.

**The Food, Drug, and Insecticide Administration**, by Gustavus A. Weber. The Johns Hopkins Press, Baltimore, Md., 1928. \$1.50.

**Labor Management**, by Gordon S. Watkins. A. W. Shaw Company, Chicago & New York, 1928. \$5.

**Waste Not—Want Not**, by Seoville Hamlin. Dorrance and Company, Publishers, Philadelphia, 1928. \$2.

**The American Omen**, by Garet Garrett. E. P. Dutton & Co., Inc., New York, 1928. \$2.50.

**The Balance of Births and Deaths**, Volume I, western and northern Europe, by Robert R. Kuczynski. The Macmillan Company, New York, 1928. \$2.

**Creative Thinkers**, by Herbert N. Casson. Efficiency Magazine, London. 5/-.

**A Picture of World Economic Conditions**, National Industrial Conference Board, Inc., New York, 1928. \$2.

**The New Day In Housing**, by Louis H. Pink. The John Day Company, New York, 1928. \$3.50.

**Sales Contracts and Forms**, Prentice-Hall, Inc., New York, 1928. \$7.50.

**National Lumber Production Register And Directory**, National Lumber Manufacturers Association, Washington, D. C., 1928.

**Organized Training in Business**, by James H. Greene. Harper & Brothers Publishers, New York, 1928. \$4.

**Story of the Chain Store**, by W. D. Darby. Dry Goods Economist, New York, 1928. \$2.

**American Investment Trusts**, by John Francis Fowler, Jr., Harper & Brothers Publishers, New York, 1928. \$5.

**Keeping Fit by Easy Exercises**, by Major George Thomas Everett. The Ronald Press Company, New York, 1928. \$2.

**Losing Liberty Judicially: Prohibitory and Kindred Laws Examined**, by Thomas James Norton. The Macmillan Company, New York, 1928. \$2.50.

# JUNE + 1929



## IN TORONTO

How typical of Canada's progress is this vast hotel...largest in the British Empire. Over a thousand rooms with bath. How logical that Canadian Pacific should build it in Toronto...mid-continent gathering-place of two great nations. Its entire second floor is dedicated to conventions...banquet hall, ballroom, and concert-hall with one of the world's largest organs! Convention-seating for 4070. Conventions now booking.

# ROYAL YORK

CANADIAN PACIFIC







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Smooth, noiseless, instant automatic action results at the touch of the button control. A decade ago the first PEELE electric operators satisfactorily met existing conditions. In the ensuing years they proved their better efficiency by outstanding performance. Today, PEELE electrified doors represent the ultimate in mechanical and electrical engineering. Installed in scores of buildings, they are establishing new records in vertical traffic efficiency. A member of our engineering staff will gladly co-operate with you... or a complete PEELE Door catalog will be sent on request.

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"The doorway of America's freight elevator traffic"

## **"THE best Motion Picture of the Business World"**

PAUL SHOUP, Executive Vice-President, Southern Pacific Railway

"I read Nation's Business because it gives the best motion picture of the business world with its continuing changes. Its background is of fact and its views logically derived. The policy that directs its policy is one of common sense."

*Paul Shoup*



\*\*\*\*\*

## **THROUGH THE EDITOR'S SPECS**



THE ink was not dry on the December issue when readers began to write in that there were omissions on the NATION'S BUSINESS Map of the Air which was printed on page 42 of that number. We were not surprised. We knew when we printed it that there would probably be omissions. We knew also that the air industry is so far from static that a map right on Tuesday may be radically wrong on Wednesday.

HERE are some of the things to which our attention was called:

From H. E. Griffin, Lakewood, Ohio:

As your "Map of the Air" on page 42 of NATION'S BUSINESS for December is likely to be harmful to an air mail line that I am interested in (although not financially), I am calling your attention to an error. The harm that is likely to result is in the legend indicating that that particular line does not carry mail when as a matter of fact that is all it does carry.

I refer to the line from Cleveland, Ohio, to Louisville, Ky. The legend indicates that it is a passenger line. They do not carry passengers—in fact, since they began to run nights only, I think they refuse passengers entirely.

It is a mail line pure and simple.

And may I suggest, while on this subject, further corrections that can be made in the map. I presume that by "Mail Route Schedules" you mean those that are planned for operation. One that is marked is from Atlanta, Ga., to Evansville, Ind. That line is in operation. Another line that may just as well be entered as scheduled because the Government is going to ask bids on it in a few days, is from Louisville, Ky., to Nashville, Tenn., and Little Rock, Ark., to Dallas, Tex. And another one is to join them at Dallas and run from there into El Paso and then to Los Angeles.

FROM the secretary of the Utica, New York, Chamber of Commerce, George J. Winslow, came this letter:

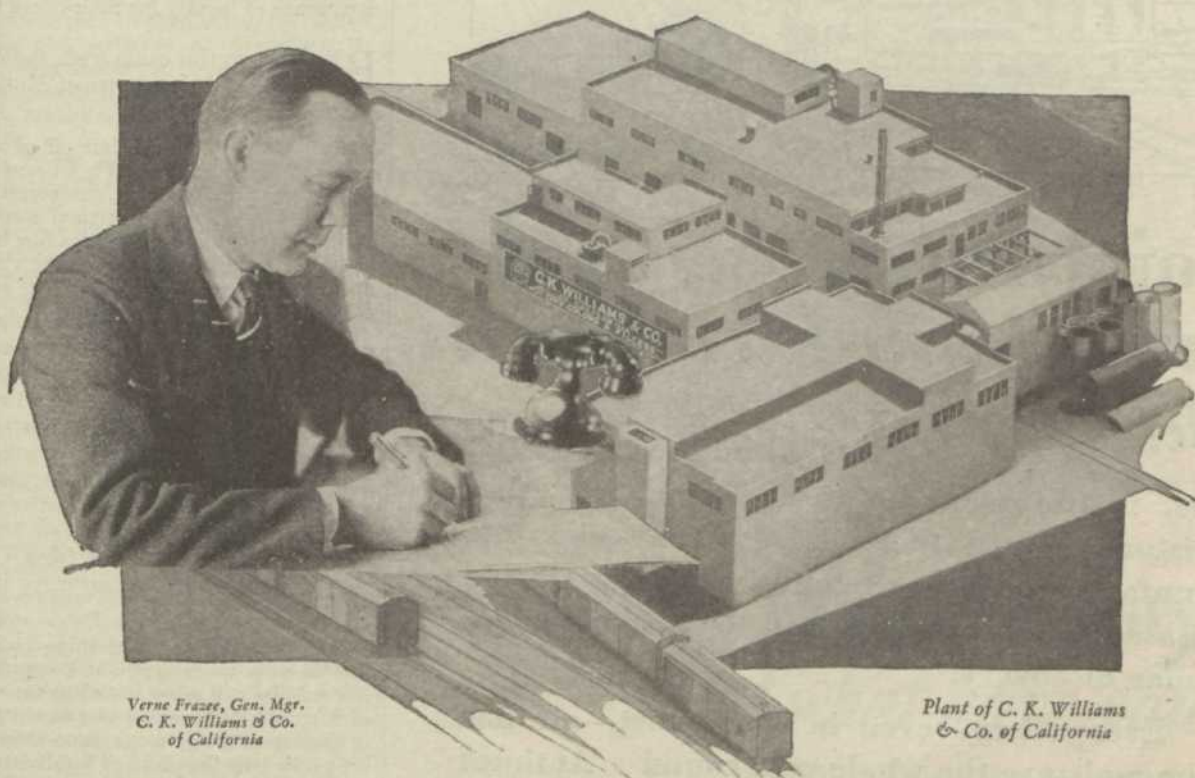
In the December issue of NATION'S BUSINESS appears on page 42 an air map of the United States. The map is a splendid one excepting that the city of Utica does not show thereon.

We have had the matter brought to our attention by some of the Utica readers of your good magazine, who also are members of our Chamber of Commerce. These readers rightfully complain that inasmuch as the city of Utica, during the present year, has acquired and is operating a Municipal Airport which is nearly four hundred acres in area, our community should have a place on your map.

We may mention that the cities of Albany, Schenectady, Syracuse, Rochester



# C. K. WILLIAMS & COMPANY erect OAKLAND Plant



Verne Frazee, Gen. Mgr.  
C. K. Williams & Co.  
of California

Plant of C. K. Williams  
& Co. of California

**I**N order to better serve its western trade, C. K. Williams & Co. of Easton, Pa., the foremost manufacturers of dry colors and fillers in the United States, decided upon a Pacific Coast plant. They selected Oakland, California, as being the logical manufacturing and distributing point for the eleven western states and last August placed in operation a large, modern plant engaged in manufacturing the well-known Anchor Brand dry colors and fillers.

Manufacturers in other lines desirous of cultivating the rich western market or interested in the export markets of the Pacific Ocean will find food for thought in the reasons why C. K. Williams & Co. selected the Oakland industrial district. Verne Frazee states:



"With its main plant located on the Atlantic seaboard, the necessity of giving better service to its growing western trade, made it imperative for our company to give serious consideration to the establishment of a plant on the Pacific seaboard.

"Early in 1927 a careful investigation of possible Pacific Coast locations was made. Emeryville, in the Oakland industrial district, was selected as being the most central and advantageous manufacturing and distributing point for serving the eleven western states and the increasingly important markets of the Orient.

"We have discovered, through actual experience, that the advantages which Oakland possesses are, in reality, exceeding our original anticipations."

## You Should Get Exact Information

"We Selected Oakland" is a booklet containing the personally-written statements of many of the nationally-known industries operating in this territory. A copy will be mailed on request. For your particular industry an industrial survey will be made, covering every detail entering into the consideration of a Pacific Coast plant. All correspondence will be treated in the strictest confidence. Write:

INDUSTRIAL DEPARTMENT, OAKLAND CHAMBER OF COMMERCE  
**OAKLAND, CALIFORNIA**

**Alameda County**—the dominant industrial district of the Pacific Coast—is located on the eastern side of the great harbor of San Francisco Bay, and includes the cities of Alameda, Alvarado, Berkeley, Centerville, Decoto, Emeryville, Hayward, Irvington, Newark, Niles, Pleasanton, and San Leandro.





## Moisture as essential to many manufacturers as to farmers

**LONG** before hoop-skirt days, textile manufacturers found out that moisture helped them. But lately cigarette manufacturers, brush manufacturers, a marble finishing plant, to mention a few, have made a similar discovery.

Everywhere—even in the desert—air has some moisture the whole year round. At times there is more, at times less.

Ours is a business of discovering how much moisture your manufacturing processes need. Then, instead of waiting for it as the farmer has to, we create it—and maintain it at a constant and fixed point; the point found to be best suited to your particular problem.

**ParkSpray** Engineers are specialists in this work. Several thousand successful installations covering a field as varied as the needs of three-score different industries are proving that moisture helps not only the farmer—but the manufacturer. (Write for portfolio of illustrations.)

Maybe yours is a business that humidity can help. If it can, we can tell you—and how. If it cannot, we can tell you that also.

**ParkSpray**  
Humidification Systems

**Parks-Cramer Company**

975 Main Street, Fitchburg, Massachusetts

*When writing to PARKS-CRAMER COMPANY please mention Nation's Business*

and Buffalo have places on your map, but Utica, which has a larger airport than any of these communities, excepting Buffalo, is omitted.

Will you kindly write and tell me that this mistake will not occur again so that I may pass the good word on to our members, who, in addition to being readers and admirers of your magazine, also have a deep sense of loyalty for their home town?

**B**Y telegram this came from the Junior Chamber of Commerce of Muskogee, Oklahoma:

Muskogee, Oklahoma, left off of airway map published in *NATION'S BUSINESS* for December. Muskogee citizens regret same, for Muskogee has the original airport of the state recognized as the leading airport of Oklahoma. Recent bond issue voted to make Muskogee airport second to none.

These are extracts from mail the first day or two after the December issue began to reach its readers.

It might be pointed out that the map did not undertake to list all airports in the United States, for airports are many and growing more and not every airport is a station on an air way.

**H**ERE'S another letter from Charles Robert Bailey, an attorney in New York City:

It is indeed a pleasant thing to be the first to do a useful act, but I suggest that it would be still more useful to the readers of *NATION'S BUSINESS* if you would publish in each issue of the magazine a map of the air revised to the date of publication.

Let the map be an institution, revised and accurate and always available in the latest issue of your magazine.

Mr. Bailey's suggestion interests us, for we had already in mind republication of the map, if not monthly, at least from time to time whenever changes warranted, and we hope that our readers will turn writers and tell us wherever the map is wrong and what can be done to better it.

**A**RTHUR E. HARTZELL'S article, "Spain—a New Market," in our October number, brought forth an interesting answer.

Cecilio Moran, a native of Spain and a leading figure in Porto Rican mercantile fields, regrets the lack of understanding of American salesmen in Spain and in other countries.

He says business men who fail to heed the warning of lack of understanding will find that sentiment—which must be reckoned with in the business life of some nations—is driving them from the markets of these countries. Continuing:

In Mr. Hartzell's article we read of the poverty of Spain and that half the automobiles there are of American make. Are these statements indicative of a lack of buying power? Do they not, rather, supply evidence that salesmen for American automobile manufacturers in Spain have this national understanding and are the exceptions that prove the rule?

To go on, if Mr. Hartzell is correct in his estimate of the proportion of American-made cars in Spain, is it good business to refer to "shambling houses of Cervantes"



time, filthy streets, sore-eyed children and reeking butcher shops?"

Spaniards admire America for her progress, her tremendous world advancement in a few generations. From America we are learning largely that which will keep Spain, a nation with a history ancient when the Puritans landed, in the forefront of nations. We require examples of American business men of the ability, the understanding and courtesy of Alexander W. Moore, ex-ambassador to Spain. We are heartily pleased to notice how closely the present ambassador, Mr. Hammond, is following in Mr. Moore's footsteps and making, of his own volition, new avenues to the hearts of our sentimental people.

I feel that Mr. Hartzell's criticisms do not represent the sentiments of the American people. He is speaking as an individual but his opinions emphasize the fact that American business must send representative Americans, sympathetic with the country and its customs, where it expects to establish new trade relationships.

ANYONE knowing the New Spain will find a fertile field for astonishing observations. General de Rivera's public works program alone calls for expenditures exceeding three times the cost of construction of the Panama Canal, budgeted over a five-year period. Approved projects, many now under construction, call for 9,142 kilometers of railroads, port improvements, roads and hydroelectric developments, electrification of railroads, to cite just a few.

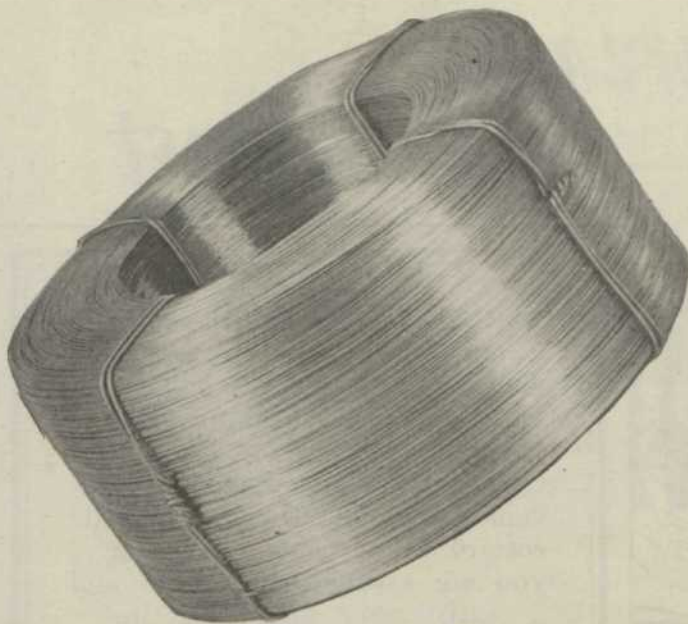
In the educational field, statistics show that during the last five years over 5,000 new schools were established, many costing from \$50,000 to \$150,000, and the number of teachers increased by 4,300. But this is only part of the program, which is not half completed. The plan will culminate in the construction of University City, which will house all the faculties and high schools. The vastness of this project is such that the gigantic Spanish University City, when completed, will probably be the first of its kind in Europe in the number of students, buildings, and scientific installations.

By many Rivera is regarded as a financial genius and though following the role of dictator, he has assumed an attitude of fairness to even his arch political enemies that is placing him high among modern statesmen.

The spirit of New Spain is best exemplified in the words uttered by the writer at a farewell banquet given in San Juan, Porto Rico, to Col. George H. Estes, retiring commandant of the U. S. Army in Porto Rico. An extension of that spirit, if gathered to the hearts and minds of American business, will give it the permanent key to Spanish business and will melt the prejudices in a crucible of understanding.

Quoting phrases of Colonel Estes, at the dedication in Porto Rico, in 1927, of monuments erected in honor of two heroic Spanish soldiers, the writer said, "No country has a monopoly on heroism and no nation monopolizes patriotism." The universality of these great virtues means that all of us can live in harmony anywhere, achieving a mutual understanding on the basis of equal reciprocity, which is the aim of all men of good will.

JARED VAN WAGENEN'S article "In the Land that Used to Be," in our November number, brought to light two descendants of the Captain or Colonel



...take **Wire** away  
... and what have you?

WIRE plays a dominant role in the drama of civilization. You find it everywhere. From kitchen utensils to elevator cables . . . from bed springs to power transmission lines . . . from pianos to suspension bridges . . . take Wire away, and what have you?

In making things of Wire, high speed machinery with close tolerances is the order of the day. To play its role consistently Wire must have one unalterable characteristic . . . it must be uniform.

As one of the world's largest manufacturers of wire, we have, through long experience, costly research and scientific methods of production, succeeded in manufacturing Uniform wire and wire products.

Whenever you see the Wickwire Spencer trade-mark, you will know that the wire is as uniform as wire can be made . . . every foot in a bundle, every bundle in a carload.

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WIRE PRODUCTS



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**T**HERE is no need to take a chance of suffering a loss on parcel post packages damaged, stolen or destroyed in transit. Simply supply yourself with a North America Coupon Book, as issued in convenient denominations, and, at the cost of a few cents per package, you are assured of prompt and satisfactory adjustment in the event of mishap.

## the North America way



**"The Oldest American  
Fire and Marine  
Insurance Company"**  
Founded 1792

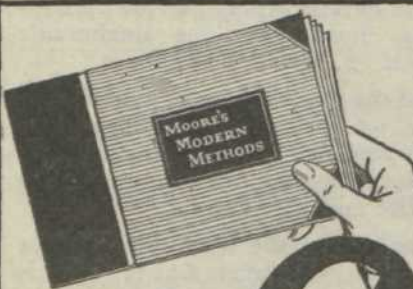
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**Write for this Free Book on up-to-date Loose-Leaf equipment**

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**The Atlanta Biltmore  
Atlanta**

**The South's Supreme Hotel**

**A Bowman Biltmore Institution**  
"Where Southern Hospitality Flowers"

**Guests' Comforts above all else**

**Rates from  
\$3.50**

**Golf for Biltmore Guests**

Jno. McEntee Bowman, Pres.  
W. C. Royer, Vice-Pres. and Manager

Wm. Candler, Vice-Pres.

John Randall mentioned therein. One is Mrs. Myra Brown Vogel of Hartsdale, New York, who writes:

I just finished reading an article in your November issue, "In the Land that Used to Be." It was of great interest to me as I happen to be a descendant of both the Brown and Randall families that you mentioned, and I think I know pretty well every inch of the ground in the town of Pharsalia. It has been some twenty years since I left and on my recent visit there, I found it quite as the writer says "appreciably abandoned."

I have in my possession a book containing the number of acres, tax records and assessed valuation of land in the town of Pharsalia in the years 1800 to 1813.

The name John Randall appears on the list. It is signed by ten or more of the residents of that town.

Then W. Randall Whitman of Little Falls, New York, wrote as follows to Mr. Van Wagenen:

The Captain John Randall to whom you refer was known to our family as Colonel John Randall, he being a brother of my great grandfather. . . . I am particularly interested in Pharsalia as I have traveled over those hills with somewhat the same thoughts in mind. . . .

I have stood at a high point on this land and looked around over a radius of possibly four or five miles, seeing not more than one column of smoke to indicate human habitation.

But the most amazing reaction to the article is thus described by the author himself who writes us:

My Pharsalia story has so fired the imagination of an accountant in California that he feels that he wants to move to Pharsalia, take up one of these farms where men who knew the last word in economy and industry have failed; and he dreams that ultimately he will achieve success and surcease from all anxiety. His folly is incredible, and I am answering it according to his foolishness.

It is a strange thought that an article describing a deserted and forsaken farming region in New York State should move a professional man in golden California to want to go back and tackle the problem of its rejuvenation.

**I**T may be that business men have no words to match the writers who find it profitable to dress them down in print. Or it may be that this conspicuous silence is ruled by a generous interpretation of the freedom of speech. Whether or not our inarticulate "Babbitts" feel downtrodden, their worth and wit are now eloquently championed by a rebel in the literary camp.

And certainly St. John Ervine can qualify as a writer of sorts. It is in his character as guest conductor of the *New York World's* column of comment on the theater that he rises to a point of order. He says,

the most unimportant of scribes . . . will preen himself in the presence of the president of a railroad or a bank as who should say, "You poor sap, who are you that you should dare to breathe the same atmosphere as I do?" The author of ten appalling lyrics published at \$1.50 in a



bilious looking book will behave as if he had done something that makes all business men cease to have any reasonable excuse for existing.

Of the sheer absurdity of this self-appropriated superiority of authors, he writes

the odd fact is that the generality of people submit to this ridiculous dogma. Persons of no obvious interest to anybody have merely to mention that they are writers to be deferred to by persons who are not writers, and there is a widely accepted belief that when two or three authors are gathered together conversation immediately becomes brilliant and profound. . . .

but the prosaic truth is that

authors, in short, are workmen like other people, and interesting or uninteresting like the rest of the community according to the degree of brightness Almighty God has given them.

The deserved due that Mr. Ervine gives to business is qualified with saying that:

I am no worshipper of Big Business and I know as well as you do that a man who is extremely able at organizing an industry can be an appalling ass at everything else.

This position also comprehends the knowledge that

so can a man or woman who is clever at assembling words into a sellable book

and he is no more willing

to regard a writer qua writer as a reposit of the world's wisdom than I am to regard a business man qua business man as a complete and irredeemable damned fool.

This illumination of one of our most persistent cross-word puzzles should make it unnecessary for business and the literati to meet in the pages of the *Forum* and shoot it out with epistles in true bookish fashion.

**LETTERS** from business women who appreciate NATION'S BUSINESS are not uncommon and are always welcome. Here's what Miss Rose Weiss, one of the staff of the Northwestern Machine Corporation, St. Louis, has to say:

My employer is a subscriber to NATION'S BUSINESS—his stenographer is an ardent reader of your wonderful magazine.

I mean it—it's great.

After it has passed through his hands it finds its way to my desk.

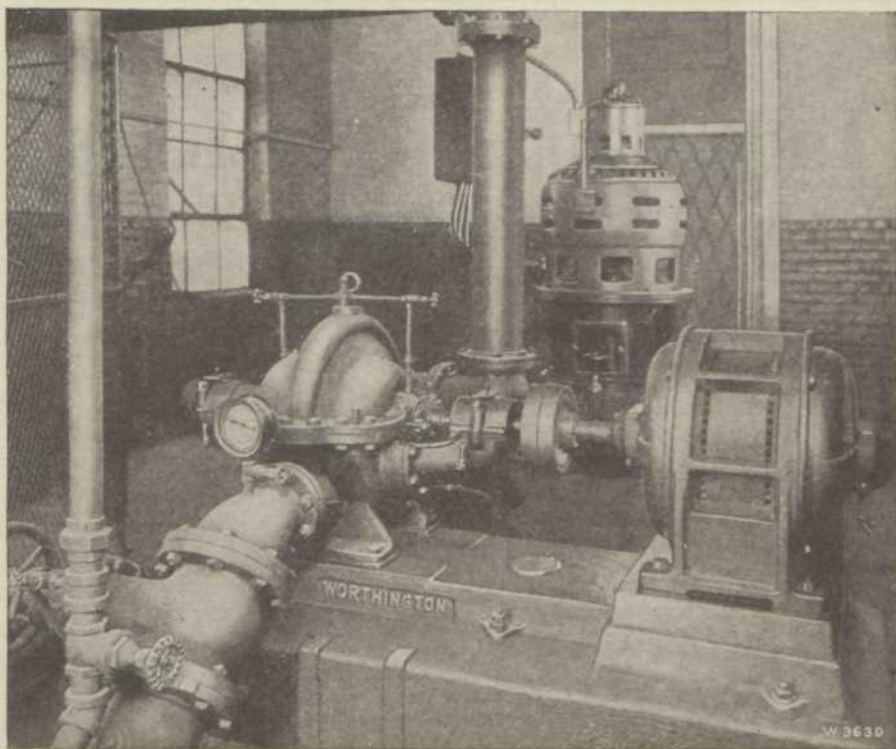
It helps me to keep up with the world of business and through its pages to become acquainted with some of the great men and women who constitute this world of business.

When my superiors talk with me I have something which interests them to talk about.

On the top of the editorial page, on which Mr. Thorpe's article appears, are the words, "A magazine for Business Men," since articles written by women appear in its pages, and women read the magazine, perhaps the following would be more appropriate, "A magazine for Business Men and Women."

Since we do read it, do enjoy it, and since we are quite a factor in the nation's business today, NATION'S BUSINESS is really "A Magazine for Business Men and Women."

*M.T.*



## Continuous Water Service in the manufacture of Yeast.... Fleischmann Yeast Company, Chicago

The Worthington Centrifugal Pump illustrated above, delivering 1200 gallons a minute at 1750 r.p.m. supplies water used in the manufacture of yeast at the Fleischmann Yeast Company plant in Chicago.

Low maintenance and operating costs and continuous service are representative of the satisfaction regularly expected from Worthington products, whether pumps, condensers, meters, feed water heaters, compressors, oil or gas engines.

### WORTHINGTON



#### PRODUCTS

PUMPS

COMPRESSORS

CONDENSERS  
and Auxiliaries

OIL and GAS ENGINES

FEEDWATER HEATERS

WATER and OIL METERS

Literature on Request

WORTHINGTON PUMP AND MACHINERY CORPORATION  
2 PARK AVENUE, NEW YORK     DISTRICT OFFICES IN 24 CITIES

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THIS is the eighth of a series of editorials written by leading advertising men on the general subject of "Advertising"



## The Gods of the Markets

"YOUR fate lies not in the stars, dear Brutus, but with the gods who made them."

The modern business man has sensed this, and propitiates the gods who control his fate, by advertising.

Who are these gods? The ultimate consumers . . . and they want to be told.

Telling them has brought mahogany logs down the Amazon to make bedroom furniture for a Kansas City bride; has converted Chile copper into a telephone wire that keeps Nome, Alaska, in touch with civilization all the year around; has turned Michigan iron into agricultural machinery that make Egyptian fields white with cotton; has lightened the dark nights of the Chinese coolie with Pennsylvania-made kerosene lamps . . .

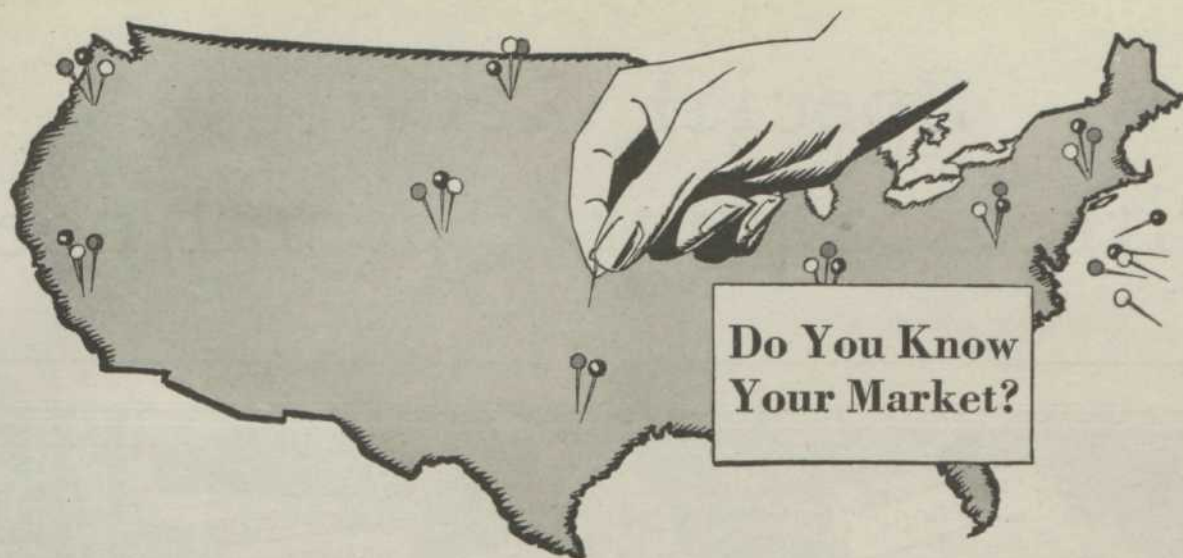
And has brought the manufacturer and his real markets together, everywhere.

A mere generation ago the manufacturer was satisfied to sell his products to a middle-man, taking his chances on said middle-man's ability to reach the consumers. Today, he cultivates his own markets, reaching out beyond the scope of the middle-man's activities, consolidating demand, creating new and unsuspected outlets . . . and increasing both his own and the middle-man's profits.

For the ultimate consumers hold the keys to the whole situation; manufacturing and distribution as well as consumption. They are the gods of the markets. It pays to propitiate them.

FRANCIS JURASCHEK, Pres.,  
Freystadt-Juraschek, Inc.,  
New York, N. Y.





# A "market" is sold in the plural

*An editorial by*

W. C. Dunlap, Vice President, in Charge of Sales,  
The American Multigraph Sales Company.

The new conception of a "market" is not singular; it is plural. You do not have A market but many markets.

Some markets can be sold at a profit; others cannot. In some markets the sales yield does not adequately repay the cost of cultivation.

Successful selling today is selective. It knows which markets can be cultivated without extravagant expenditures of time and effort. It develops a method of reaching those markets with sales effort adjusted to their individual ability to absorb the product and timed to meet current conditions within the field.

Many students of business are saying that a full recognition of this principle will go far to correct that condition known as "profitless prosperity." If our own experience is typical—and we believe it is—it confirms that expectation. Selective selling has brought us larger profit,

improved collections, better average earnings for our salesmen, and larger volume.

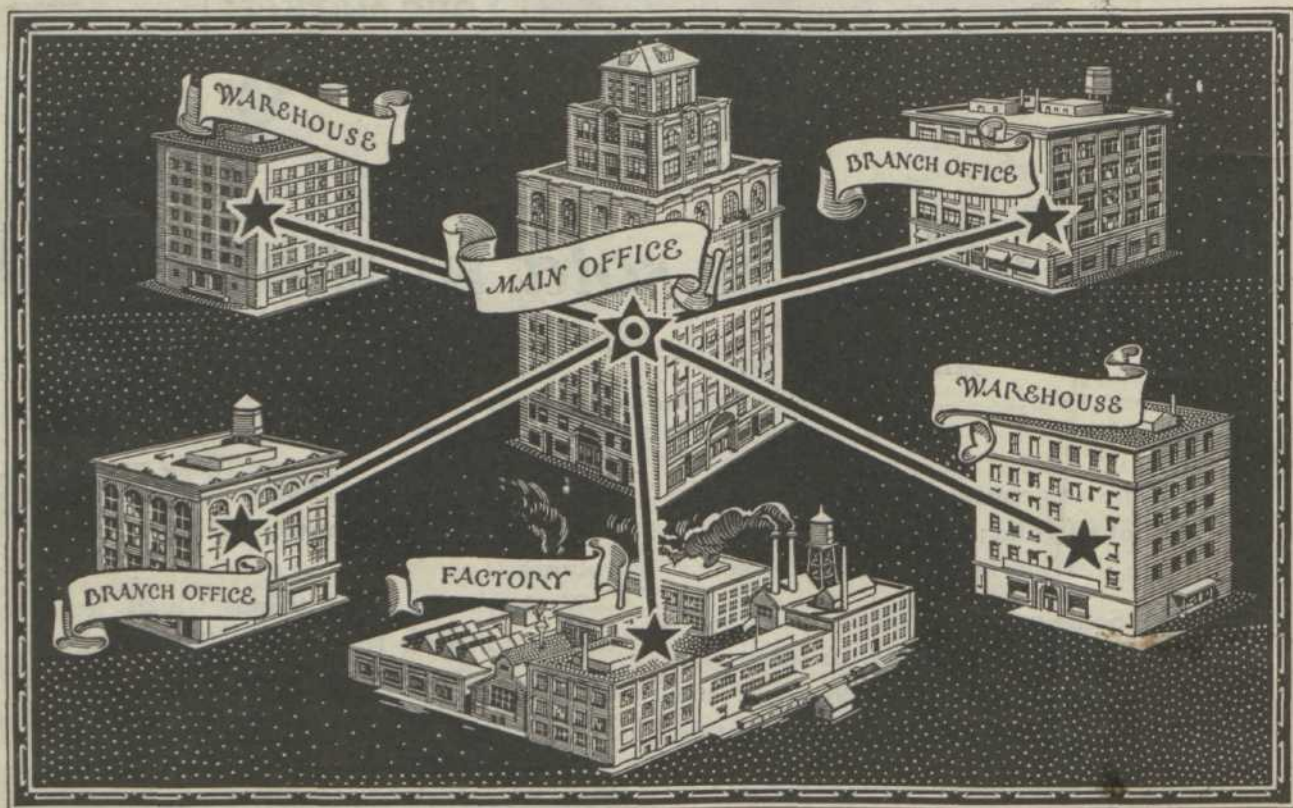
We have done two things which helped to bring this about: (1) We have made a careful study of our general market and broken it up into its component markets along lines of industrial classification, financial strength, and location; (2) We have developed Multigraph equipment of new flexibility for the distribution of effective selling effort to large or small groups on any sort of a timing program.

How this was brought about and how it has accomplished results for us involves a number of details which will interest executives studying the problem of reducing sales cost and widening margins of profit. If you will address a letter to W. C. Dunlap, 1806 East 40th Street, Cleveland, Ohio, I shall be glad to go into the subject with you in greater detail.

There is a new **MULTIGRAPH** for  
today's new selling conditions.



# Special Services Fitted to your Special needs



THE special Bell System services—*Telegraph Service*, *Telephone Typewriter Service*, and *Full Talking Service*—are all being used more and more by business firms. These latest methods of communication make the far-off units of an organization seem as though they were just across the street.

Two thousand Bell *Telegraph Service* contracts are in effect today, connecting more than nine thousand points in every important town and city in the United States.

By *Telephone Typewriter Service*, written communications with branch units, near or far, are sent in seconds instead of hours or days. For either service, a large or small number of points can be operated on the same circuit.

Concerns desiring personal contact for the

transaction of their business between branches and headquarters often choose *Full Talking Service*—exclusive use of telephone circuits between two or more cities.

These special services are now widely used by automobile and industrial concerns, banks, brokerage, investment security and bond houses, newspapers and press associations, trust companies, electric light and power companies and government departments.

They are but three of the various *Special Bell Services*. Would one of them bring growth and needed change to your business? Call your local Bell Telephone business office today to discuss the subject with you. . . . Bell Special Services are *Quick . . . Economical . . . Universal*.

